



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet, on behalf of Hon Mark Mitchell, Minister for Emergency Management and Recovery:

Cyclone Recovery Unit briefings

The following documents have been included in this release:

Title of briefing: In principle approval for release of exposure drafts of SWERLA Orders in Council

Title of briefing: Hawke's Bay Region Silt Recovery Funding Request and Update

Title of briefing: Cyclone Gabrielle Recovery Taskforce Report Back

Title of briefing: Options for consideration: Cyclone Recovery dispute resolution mechanisms

Title of briefing: Spending \$2 million for small-scale community-led initiatives

Title of briefing: Drawdown from the Local Government Flood Resilience Co-Investment Fund

Title of briefing: Ministerial Approval of Regional Transport Projects under the 2023 North Island Weather Events Hawke's Bay Crown Funding Agreement

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

Title of briefing: Ministerial approval to release funding to relocate the Waipawa Water Treatment Plant

Title of briefing: Whenua Māori and Marae Pathway – Formal written offers to Tairāwhiti Marae: Hinemaurea ki Mangatuna, Ōkuri, Puketāwai, Rangatira, Takipū, and update on forecast expenditure across the pathway

Title of briefing: Ministerial approval of projects under the North Island Weather Events (2023) Tairāwhiti Crown Funding Agreement



Title of briefing: Ministerial Approval of projects under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement

Title of briefing: Ministerial Approval to draw down tagged operating contingency for the Whenua Māori and Marae Pathway Cost Pressures

Title of briefing: Ministerial approval of risk mitigation projects under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement

Title of briefing: Ministerial approval of three projects under the North Island Weather Events (2023) Crown Funding Agreements

Title of briefing: Amendment to the North Island Weather Events (2023) Auckland Crown Funding Agreement and Project Delivery Plan approvals

Title of briefing: Ministerial Approval of Pump Station Upgrades Risk Mitigation Project under the Hawke's Bay North Island Weather Events (2023) Crown Funding Agreement

Title of briefing: Ministerial Approval of Final Risk Mitigation Projects under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement

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)(b)(ii), to protect the commercial position of the person who supplied the information, or who is the subject of the information
- section 9(2)(d), to protect the substantial economic interests of New Zealand
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion
- section 9(2)(j), to enable negotiations to be carried on without prejudice or disadvantage.



Coversheet

Briefing: In principle approval for release of exposure drafts of SWERLA Orders in Council

Date:	24/07/2023	Report No:	DPMC-2023/24-66
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	[Medium]

	Action sought	Deadline
Hon Barbara Edmonds Associate Minister for Cyclone Recovery Hon Dr Megan Woods Minister of Housing Hon Peeni Henare Minister of Forestry Hon David Parker Minister of Transport Hon Rachel Brooking Associate Minister for the Environment Hon Kieran McAnulty Minister of Local Government Hon James Shaw Minister of Climate Change	agree to recs	28/07/2023

Name	Position	Telephone		1 st Contact
Anna Wilson-Farrell	Executive Director, Strategic Policy and Legislation Cyclone Recovery Unit	s9(2)(a)	s9(2)(a)	✓
Victoria Nicholson	Chief Advisor, Strategic Policy and Legislation Cyclone Recovery Unit	s9(2)(a)	s9(2)(a)	

Departments/agencies consulted on Briefing

Ministry for the Environment, Ministry of Transport, Department of Internal Affairs, Ministry for Primary Industries, Ministry of Housing and Urban Development.

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: No

Proactively Released

Briefing

In principle approval for release of exposure drafts of SWERLA Orders in Council

To: Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

Hon Dr Megan Woods
Minister of Housing

Hon Peeni Henare
Minister of Forestry

Hon David Parker
Minister of Transport

Hon Rachel Brooking
Associate Minister for the Environment

Hon Kieran McAnulty
Minister of Local Government

Hon James Shaw
Minister of Climate Change

Date	24/07/2023	Security Level	IN-CONFIDENCE UNCLASSIFIED
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Purpose

1. As Minister responsible for the Severe Weather Emergency Recovery Legislation Act 2023 (SWERLA) and relevant Ministers for proposed Orders in Council (Orders) being progressed in tranches four and five, your in principle agreement is sought for the release of tranche four and five draft Orders in Council as exposure drafts, to limited Council and iwi representatives, and sector groups or representatives of them.¹ Whether an exposure draft will be released will still be determined on a case-by-case basis for each Order by officials.

Background

2. Exposure drafts are used to facilitate the sharing of primary or secondary legislation during the drafting stages to individuals outside of Crown agencies, to facilitate consultation/feedback and test the workability of proposed legislative provisions. All draft legislation (including Orders in

¹ Sector groups or representatives may include, for example, those with specialist sector knowledge around forestry establishment or Local Government New Zealand, for Orders relating to forestry and local government respectively.

Council) is considered legally privileged and unable to be shared externally unless that privilege is waived via the exposure draft protocol.

3. The use of exposure drafts is provided for in Cabinet Office Circular CO(19)2 - Attorney-General's Protocol for Release of Draft Government Legislation outside the Crown. That Circular provides sets out different levels of approval depending on factors such as the level of legal risk posed by the waiver of legal privilege.
4. General ministerial approval of the release of exposure drafts is not required by the protocol, but many agencies will seek approval or consult on their intent to release an exposure draft on a no surprises basis. This adds an additional step in the progression of an Order, which agencies can struggle to provide for or prioritise given the tight timeframes in the planned tranche timelines. As a result, an opportunity to ensure the workability of Orders prior to their enactment can be missed.² Alternatively, approval to release an exposure draft may be sought, but due to turnaround times for Ministerial briefings the feedback may not be solicited or received in a timely manner and may not be able to be appropriately considered and incorporated into the final drafting of the Order.

Discussion

5. Tranches one through three of the SWERLA Orders have now progressed to enactment. Officials have reviewed the approach to creating Orders as each tranche progresses, and have identified that Orders in tranches four and five may benefit from the release of exposure drafts to a limited number of Council and/or iwi representatives, and sector groups or representatives of them. This will help ensure that, in the limited time available for the progression of these Orders, the workability of the legislative provisions can be tested with those subject to or applying them. This is particularly important for complex Orders such as those concerning roading or housing, where multiple pieces of primary legislation are being amended.
6. Providing for in principle agreement in advance for the release of exposure drafts will streamline the enactment of tranche four and five Orders by clearing the way for agencies to test the workability of legislative drafting with those who will be subject to or responsible for enforcing the proposed Orders, at an appropriate time to inform the final drafting. You will still be advised of the intent to release exposure drafts by agencies prior to their release, however this may not be in the form of a formal briefing and additional approval will not be sought.

Application of the Cabinet Office Circular CO(19)2 protocol

7. The Cyclone Recovery Unit has reviewed the Orders proposed for tranches four and five against the protocol in Cabinet Office Circular CO(19)2. The CRU considers they do not require referral to the Crown Law Office or the approval of the Attorney-General to release exposure drafts because:
 - the Orders are being drafted at the request of or in consultation with local government, iwi or sector representatives; and
 - the policy or details underlying the legislation will already be in the public arena through the Ministerial publication requirement for all Orders.³
8. The proposed steps for the release of these draft Orders are:
 - in principle Ministerial approval for exposure drafts to be released for this purpose is received through this briefing; then

² So far, only the Ministry for the Environment has made use of the exposure draft protocol for Orders made under SWERLA.

³ The policy behind all Orders must be publicly consulted on under SWERLA. The final Orders for consultation will be confirmed by Cabinet on Monday 24 July with public consultation beginning Tuesday 25 July. Therefore, all subject matter for tranche four and five Orders will be in the public domain as of Tuesday 25 July.

- officials at the agency responsible for the Order will consider whether the release of an exposure draft would be beneficial, and who it should be released to; then
 - the Chief Legal Advisor of the agency responsible considers whether the criteria are met for the release of an exposure draft under Cabinet Office Circular CO(19)2 (including confirmation that the release will not create a legal risk for the Crown) and approves release if criteria are met; and
 - the relevant Minister's office will be informed of the intent to release an exposure draft, along with who it will be released to; then
 - the agency(cies) responsible for the Order will liaise with the identified contacts for the release of the exposure draft and coordinate their feedback and responses.
9. There is a risk that exposure drafts may be passed on to an unapproved third party. This risk can be managed through ensuring consulted parties are made aware of the confidential nature of the exposure draft process.
10. Note this briefing will be proactively released within 30 working days.

Recommendations

We recommend you:

1. **note** that the use of exposure drafts to release draft legislation to select individuals can facilitate consultation/feedback and provide an opportunity to test the workability of proposed legislative provisions;
2. **note** that providing for in principle agreement in advance for the release of exposure drafts will streamline the enactment of tranche four and five Orders by clearing the way for agencies to test the workability of legislative drafting with those who will be subject to or responsible for enforcing the proposed Orders, at an appropriate time to inform the final drafting;
3. **agree** in principle to agencies progressing Orders in Council in tranches four and five to release exposure drafts of the draft Orders in Council to Council and iwi representatives, and sector groups or representatives of them, without the need for additional Ministerial approval or consultation.

YES / NO


Anna Wilson-Farrell Executive Director, Strategic Policy and Legislation Cyclone Recovery Unit
24/07/2023

Hon Barbara Edmonds Associate Minister for Cyclone Recovery
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Hon Dr Megan Woods
Minister of Housing

...../...../.....

Hon Peeni Henare
Minster of Forestry

...../...../.....

Hon David Parker
Minister of Transport

...../...../.....

Hon Rachel Brooking
Associate Minister for the Environment

...../...../.....

Hon Kieran McAnulty
Minister of Local Government

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Hon James Shaw
Minister of Climate Change

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Coversheet

Briefing: Hawke's Bay Region Silt Recovery Funding Request and Update

Date:	30/10/2023	Report No:	DPMC-2023/24-454
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	High

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	agree to recs	
Hon Kieran McAnulty Minister of Local Government		
Hon Barbara Edmonds Associate Minister for Cyclone Recovery		

Name	Position	Telephone	1 st Contact
Katrina Casey	Chief Executive Cyclone Recovery	s9(2)(a)	✓
Helen Hurst	Executive Director, Planning, Reporting and Implementation	s9(2)(a)	

Departments/agencies consulted on Briefing
Department of Internal Affairs, Ministry for Primary Industries, The Treasury

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: No

Briefing

Hawke's Bay Region Silt Recovery Funding Request and Update

To: Minister for Cyclone Recovery

Date	30/10/2023	Security Level	IN-CONFIDENCE UNCLASSIFIED
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Purpose

- On 27 October your office received a letter from Hastings District Council and Hawke's Bay Regional Council requesting a further \$10.000 million financial support to enable silt removal work to continue until the end of November. You have requested advice on possible options, including funding sources, to facilitate discussion with the incoming government to inform the decision.

Recommendations

We recommend you:

- note** that Hastings District Council and Hawke's Bay Regional Council wrote to the Minister of Finance on 27 October to request \$10.000 million further support to allow silt clean-up operations to continue in the region.
- note** that the Local Government Flood Resilience Co-investment Fund has been identified as the most appropriate funding source within the timing requested.
- note** that utilising the Local Government Flood Resilience Co-investment Fund for this purpose will reduce funding available to the other 27 councils impacted by the North Island Weather Events (NIWE).

- agree** to:

EITHER

- fund \$10.000 million to sustain the Silt Recovery Taskforce to the end of November 2023 from the Local Government Flood Resilience Co-investment Fund.

YES / NO


OR

- decline to fund the request ahead of officials providing advice to the incoming government about options for silt recovery in the Hawke's Bay in November 2023.

YES / NO

5. **agree**, if you approve to fund \$10.000 million now, to attach a condition that the Hawke's Bay region will not receive further funding from the Local Government Flood Resilience Co-investment Fund. **YES / NO**

6. **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

30/10/2023


Hon Grant Robertson
Minister of Finance

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Hon Kieran McAnulty
Minister of Local Government

...../...../.....

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

...../...../.....

Background

2. On 27 October your office received a letter from Hastings District Council and Hawke's Bay Regional Council requesting a further \$10.000 million to enable silt removal work to continue until the end of November. They have advised that this funding is required urgently.
3. The removal of the significant quantities of silt and other debris left by the North Island Weather Events (NIWE) on residential, agricultural and commercial properties remains a priority for the Hawke's Bay region. To date an estimated 2.5 million tonnes have been removed. Apart from the 50:50 cost share portion of commercial grants, removal costs totalling \$162.2 million have so far been funded by the Crown.

Table 1: Crown funded support for sediment and debris management in Hawke's Bay region

Support provided by the Crown	Funding (\$ million)
Local Authorities (includes \$12m underspend from commercial which has been transferred)	\$82.6
Commercial grants (originally \$62.6m before \$12m transfer to Local Authorities)	\$50.6
Flood Resilience Co-Investment Fund	\$10.0
Whenua Māori	\$15.0
Woody debris removal (MPI fund)	\$4.0
Total	\$162.2

4. On 14 September 2023, as part of the Regional Recovery Plan triage process, Cyclone Recovery Unit (CRU) officials provided options to address identified immediate resource issues in the sediment and debris clean-up activities in both Hawke's Bay and Tairāwhiti regions. The Silt Recovery Taskforce in Hawke's Bay was due to cease in early October unless additional funding could be secured, and the region was concerned with bringing as much land back into productive use as possible in the short term for this year's planting season.
5. Advice provided to you in mid-September on Regional Recovery Planning [DPMC-2023/24-335 refers] noted that the Hawke's Bay Regional Council estimated that it would need a further \$80.000 million to purchase clean-up operations for the following six months, with a minimum viable investment of \$40.000 million. In that advice officials identified three options for Ministerial consideration:
 - Option A: No further central government funding, resulting in near immediate cessation of operations. This option reflects that the broader policy question has not been resolved about the role of the crown in providing further funding for recovery and would minimise the private benefit from Crown-funded silt removal. However, this option would reduce the amount of land returned to production in the short term, impacting economic recovery.
 - Option B: Fund \$10.000 million to extend the Silt Recovery Taskforce to the end of November to allow for addition land to be returned to production in time for the growing season. This was the option adopted and was intended to signal that no further Government funding will be provided for the Silt Recovery Taskforce.
 - Option C: Fully fund the \$40.000 million minimum viable investment requested by the region, which would have extended operations through to the end of January.

6. On 25 September 2023 Ministers' Robertson, Edmonds, McAnulty, O'Connor, and Henare agreed to use the Local Government Flood Resilience Co-investment Fund to provide an additional \$10.000 million to the Hawke's Bay region to support the removal of sediment and debris [DPMC-2023/24-384 refers].
7. This additional \$10.000 million was expected to extend Silt Recovery Taskforce (Taskforce) operations into November 2023 in order to cover the planting season. However, the region has advised that drier weather and more efficient operations has seen the funding spent more quickly than anticipated. A further \$10.000 million is now sought to continue the work of the Taskforce through to the end of November 2023. We been unable to assess the impacts in pausing the work of the Taskforce in the time available.
8. We understand a further request will be made to the incoming Government as soon as it is sworn in of around \$70.000 million additional funding for decision by the end of November to extend works through to the end of June 2024.

Considerations

9. There is a need for policy consideration about recovery funding and the extent to which the Crown should continue to fund sediment removal from private land for private gain with no contribution from landowners or local authorities. A decision to provide further funding for silt removal will generate funding inequity amongst regions, reducing funding available elsewhere, without allowing for explicit consideration of the trade-offs to be made.
10. Tairāwhiti has previously raised concerns about inequity amongst regions, given the substantially higher amount of funding provided to Hawke's Bay through the Sediment and Debris Management Package. Tairāwhiti is forecasting a \$72-\$145 million shortfall in funding to fully clean up woody debris, some of which poses an ongoing risk to safety and to core infrastructure should it be remobilised in a future weather event. In September, Ministers agreed further funding for woody debris in Tairāwhiti is within the scope of the Regional Recovery Plan initiatives within NRP Phase 3 [CAB-23-MIN-0435] and this is a pathway for considering the funding that is required. Officials are currently preparing advice about funding from the NRP for woody debris removal in Tairāwhiti.
11. Some other councils experienced damage and are considering categorisation of properties and property and community-level risk mitigation initiatives to increase flood resilience and safety. 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.
12. The Treasury recommends that any additional funding for the Taskforce be considered alongside the broader policy choices and implications of continuing to provide Crown funding to support this work. If Ministers/Cabinet agree to provide additional ongoing funding, The Treasury recommends that relevant agencies are asked to consider reprioritisation within existing baselines in the first instance.
13. The Treasury considers that any further funding including the \$10.000 million should be subject to analysis and consideration of cost sharing with local councils.

Funding the additional \$10.000 million requested

14. Should Ministers decide to agree to fund the \$10.000 million requested, there are limited options that would allow for funding to be dispersed in the timeframe sought.
15. In considering funding options the Treasury advised agencies to review their baselines.
16. DIA, MPI and CRU reviewed their baselines in September (when Hawke's Bay region advised the Silt Recovery Taskforce would exhaust funding in early October), and they have confirmed that their assessment is unchanged. DIA and MPI are facing cost pressures and any reprioritisation would require the stopping of significant programmes of work, which would need time to work through and agree. The CRU appropriation is largely limited to FTE-related costs for the CRU and the Cyclone Recovery Taskforce and could not be reprioritised to provide the \$10.000 million of immediately required funding.
17. Beyond this, three potential funding sources have been considered: the between Budget contingency (BBC), the National Resilience Plan (NRP), and the Local Government Flood Resilience Co-investment Fund, established in Budget 2023 (Flood Resilience tagged contingency).

The Between Budget Contingency (BBC)

18. The BBC is a potential funding source; however, the Treasury does not recommend this option given that there is a small amount of funding remaining that will likely be required for urgent matters ahead of Budget 2024. The new process for out-of-cycle funding requests applies a high bar to any requests outside of the Budget cycle, requiring that use of the BBC be preceded by a request to the Minister of Finance demonstrating that the proposal cannot be funded through reprioritisation of lower-value activities from within existing baselines or deferred until the next Budget.

The National Resilience Plan

19. In Budget 2023, the Government established the NRP to support infrastructure resilience. The scope of the NRP is limited to funding initiatives for resilient infrastructure in road, rail, local government infrastructure, telecommunications and transmission, and Future of Severely Affected Locations (FOSAL) Category 3 and 2 costs as agreed by the Crown.
20. The prioritisation criteria for the NRP are:
 - a. Restoring connectivity; the first priority will be given to proposals that help provide long term resilient solutions where connectivity has been impacted and needs to be restored;
 - b. Addressing resilience challenges; the second priority is given to proposals that address resilience challenges where there is no current disruption but where resilience will help support recovery from future predicted events (including to our critical infrastructure); and
 - c. Addressing and getting ahead of the infrastructure deficit; the third priority is given to proposals that addressing New Zealand's infrastructure deficit or enable us to get ahead.

21. The proposed investment does not satisfy the foregoing prioritisation criteria upon preliminary analysis. It does not restore connectivity, address resilience challenges or impact the infrastructure deficit.
22. Prior to the urgent investment decision being made (there are different criteria for non-urgent investments), Cabinet agreed the Treasury will assess:
 - a. Whether there is demonstrable evidence that the money will be spent – taking into account market capacity, any planning and consenting requirements, and any procurement or operational constraints;
 - b. Whether sufficient justification has been provided as to why the investment is urgent and necessary, i.e., that it:
 - i. Does not create path dependency and unhelpfully predetermine the Crown's ability to make further investment decisions; and
 - ii. Addresses critical health and safety or other risks; and
 - iii. Provides value for money to the Crown that outweighs the benefits of a more considered investment process.
23. With the information provided the Treasury have made the following assessment against the urgent investment criteria at paragraph 22:
 - a. Evidence that the money will be spent: Satisfied – the money is likely to be spent (existing funding is exhausted ahead of schedule, while further work remains).
 - b. Sufficient justification:
 - i. Not satisfied – a path dependency is created, and we are aware of additional funding requests to follow. Previous funding for this purpose has been funded from the Local Government Flood Resilience Co-investment Fund.
 - ii. Likely satisfied – the letter mentions health and safety risks, although this requires further investigation. Further the letter highlights a range of economic risks which could be considered 'other risks' above.
 - iii. Not satisfied – it is unclear that the investment provides value for money that outweighs a more considered investment approach, eg resolution of the overarching policy question about where funding for silt should be dealt with, and consideration of baseline reprioritisation and/or a cost sharing model with the council.
24. Potential investments that may be funded by the NRP are invited by the Minister of Finance. The Treasury then assesses the investment against the prioritisation criteria and investment requirements and provides advice to the Minister of Finance. The Minister of Finance then seeks Cabinet's decision on the proposed investment.
25. Notwithstanding the foregoing prioritisation criteria and investment requirements for urgent decisions, Cabinet may choose to fund related resilience related investments.

Local Government Flood Co-investment Fund

26. The Local Government Flood Resilience Co-investment Fund was established as a \$100.000 million tagged contingency fund in Budget 23. It is open to the 29 councils impacted by NIWE to provide Crown co-investment to support the proactive management of climate-exacerbated flood risk. To date \$48.759 million has been allocated, including \$12.500 million allocated to Hawke's Bay. This would increase to \$22.500 million if the request is approved and funded from this fund.
27. Councils are currently working on applications for the remaining \$51.241 million available in the Fund with decisions to be made in November and reducing this by \$10.000 million will reduce the projects that can be co-funded. At this stage several smaller affected councils have yet to receive Crown funding for either category 3 cost share arrangements or infrastructure projects.
28. Sediment and debris removal does not strictly adhere to the purpose of the tagged contingency (given that the removal of silt isn't focussed on proactive management of flood risk). However, because of the urgency of the work, the requirement that the fund be made available to local authorities to manage near-term costs associated with FOSAL, and its alignment with other post-NIWE recovery activity, the fund is a reasonable option for supporting sediment removal operations.
29. Subject to the caretaker conventions around Ministerial agreement, the Treasury has advised that the preferred option is to utilise this tagged contingency. This approach is consistent with the decision taken by Joint Ministers in September 2023 to provide \$10.000 million from the Flood Resilience tagged contingency to the Hawke's Bay region to extend sediment and debris removal operations to November 2023 [DPMC-2023/24-384 refers].
30. In August 2023 the Extreme Weather Recovery committee previously agreed to authorise the Minister for Cyclone Recovery and Minister of Local Government along with any other appropriation Minister to make drawdown decisions on the fund [EWR-23-MIN-0074 refers]. Ministers recently agreed to the assessment criteria for the fund (priority, value for money, alignment, deliverability, additionality, and iwi Māori engagement). This means if Ministers are satisfied this proposal meets the assessment criteria for the fund (after consultation with the incoming government), joint Ministers can agree to draw down any funding without the need for Cabinet approval.
31. We recommend a condition be placed on the funding, Hawke's Bay region will not receive any further funding from this Fund. Ministers may want to consider asking the council to ensure this funding is managed to last beyond the end of November (depending on Ministers' consideration as to whether the case for and cabinet decisions about further funding cannot be made by the end of November, which seems a prudent assumption).
32. While Hawke's Bay has requested an immediate \$10.000 million, we understand the region will be seeking an estimated \$70.000 million shortfall to continue the works through to the end of June 2024, to be available to it by the end of November. If this is the case, officials have not seen any business case work or plan particularly of funding this from Crown funding over and above the \$162.000 million (\$172.000 million if this request is approved) already funded or cost share proposals.
33. The balance of the Flood Resilience Co-investment Fund will be exhausted by that time, so any further investment would require the government to agree to change the criteria for the NRP and prioritise this over other critical work or reconsider the BBC. Alternately it could be

considered as part of Budget 24, but this would likely mean work would cease for several months. The NRP is currently significantly oversubscribed within existing criteria. The Treasury advise, notwithstanding the priorities and criteria of the NRP, Cabinet may choose to approve resilience related investments from the NRP.

34. The Treasury recommends that any additional funding for the Silt Recovery Taskforce be considered alongside the broader policy choices and implications of continuing to provide Crown funding to support this work. If Ministers and Cabinet agree to provide additional ongoing funding, the Treasury recommend that relevant agencies are asked to consider reprioritisation within existing baselines in the first instance.

Next Steps

35. A Ministerial decision is required on whether to fund the \$10.000 million request. Should you agree to the request your decision is then required on the funding source and on any conditions that would apply.
36. Once you have indicated your decisions, officials will then carry out the necessary work to give effect to your decision.



**DEPARTMENT OF THE
PRIME MINISTER AND CABINET**
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

Coversheet

Briefing: Cyclone Gabrielle Recovery Taskforce Report Back

Date:	21/12/2023	Report No:	DPMC-2023/24-597
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	Low

		Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister		agree to recs	
Hon Mark Mitchell Minister for Emergency Management and Recovery			

Name	Position	Telephone		1 st Contact
Amber Bill	Executive Director, Cyclone Recovery Taskforce Cyclone Recovery Unit	s9(2)(a)	s9(2)(a)	✓
Louise Cox	Principal Advisor	s9(2)(a)	s9(2)(a)	

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: Yes

Briefing

Cyclone Gabrielle Recovery Taskforce Report Back

To: Rt Hon Christopher Luxon
Prime Minister

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date 21/12/2023

Security Level

IN-CONFIDENCE UNCLASSIFIED

Purpose

1. This briefing seeks your decision on the future of the Cyclone Gabrielle Recovery Taskforce (the Taskforce).


Executive Summary


2. Cabinet agreed to establish the Cyclone Gabrielle Recovery Taskforce (the Taskforce) in February 2023 following the early 2023 North Island Weather Events (NIWE).
3. The Chair and members are appointed for a term of one year until 30 March 2024 with an option to extend for a further year. The Terms of Reference provides for disestablishment at any time prior to 30 March 2024 at the discretion of responsible Ministers (the Prime Minister and the Minister for Emergency Management and Recovery).
4. The Minister for Emergency Management and Recovery has discussed with the Chair, Sir Brian Roche, disestablishment of the Taskforce as the preferred option, and has asked Sir Brian to remain in an advisory capacity to (as immediate tasks):
 - continue to support key relationships, including discussions with the Maungaharuru-Tangitū Trust in Tangoio in regard to the whenua Māori and marae in category 3
 - work with key industry stakeholders to progress a plan to see the country better placed for future large-scale disasters.


Recommendations

We recommend you:

1. **agree** to disestablish the Cyclone Gabrielle Recovery Taskforce, effective from the date of notification to the members; **YES / NO**
2. **note** Sir Brian Roche will continue in an advisory capacity to the Minister for Emergency Management and Recovery;
3. **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**


Amber Bill Executive Director, Cyclone Recovery Taskforce Cyclone Recovery Unit
21/12/2023


Rt Hon Christopher Luxon Prime Minister
...../...../.....


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

Background

1. Cabinet established the Cyclone Gabrielle Recovery Taskforce (the Taskforce) in February 2023 following the early 2023 North Island Weather Events (NIWE). Sir Brian Roche was appointed as Chair and members span business, iwi, local government, the Council of Trade Unions, and two ex-officio members from central government.
2. The Chair and members are appointed for a one-year term until 30 March 2024 with an option to extend for a further year (see paragraph 27 of the Taskforce's Terms of Reference contained in Attachment A). The Terms of Reference provides for disestablishment at any time before 30 March 2024 at the discretion of responsible Ministers.
3. Responsible Ministers are the Prime Minister and Minister for Cyclone Recovery as referred to in the Cabinet submission under CAB-23-SUB-0056. As the function of the Minister for Cyclone Recovery has been integrated into the role of the Minister for Emergency Management and Recovery, responsibility for decisions sit within this portfolio.
4. The Minister for Emergency Management and Recovery has received a letter from Sir Brian which sets out an overview of the work of the Taskforce to date (Attachment A). The Minister also met with Sir Brian on 19 December to discuss the options for the future of the Taskforce.

Future of the Taskforce

5. As discussed between the Minister for Emergency Management and Recovery and Sir Brian, the preference is to disestablish the Taskforce, effective from the date of notification to members. The Recovery has continued to evolve, and the Cyclone Recovery Unit (CRU) is well established and carrying out its role which includes coordinating, sequencing, and prioritising the recovery programme, and local engagement. This means the Taskforce is no longer needed in the delivery of these functions.
6. The Minister for Emergency Management and Recovery has, however, asked Sir Brian to be retained in an advisory capacity to (as immediate tasks):
 - continue to support key relationships, including discussions with the Maungaharuru-Tangitū Trust in Tangoio regarding the whenua Māori and marae in category 3
 - work with key industry stakeholders to progress a plan to see the country better placed for future large-scale disasters.

Financial implications

7. As budget was appropriated for the Taskforce to operate for two years (March 2023 – March 2025), there is sufficient funding to retain Sir Brian. The remaining financial implications of this decision will be worked through as part of upcoming budget processes.

Next steps

8. Pending your agreement to the recommendation to disestablish the Taskforce, the Taskforce Secretariat will work with the office of the Minister for Emergency Management and Recovery to finalise and send letters to advise members of the Taskforce and thank them for their service (Attachment B).
9. The CRU will progress a contract to retain Sir Brian Roche in an advisory role.

Attachments:	Title	
Attachment A:	2023-12-05 – Letter from Sir Brian Roche to Minister Mitchell and attached Terms of Reference and member bios	Unclassified
Attachment B:	Draft letter to Taskforce members from the Minister for Emergency Management and Recovery	Unclassified

Proactively Released

CYCLONE RECOVERY TASKFORCE

05 December 2023

Hon Mark Mitchell
Minister for Emergency Management and Recovery
Mark.Mitchell@parliament.govt.nz

Dear Minister Mitchell

Firstly, congratulations on your appointment as Minister responsible for Emergency Management and Recovery.

Cyclone Gabrielle Recovery Taskforce

As you are aware, the previous Government appointed a Taskforce to assist on the Auckland Weather Events of earlier this year and Cyclone Gabrielle. I was appointed as Chair of this Taskforce. The Terms of Reference and membership are attached as Appendix 1 to this letter. Members of the Taskforce, including myself were appointed for a term of one year until 30 March 2024 and come from across the business sector, iwi, Council of Trade Unions, local government, as well as two central government ex-officio members.

Role of the Taskforce

The intended purpose of the Taskforce is to pull together and align the economic and infrastructure recovery efforts, and ensure local, iwi, and business voices have input into decision making. In practice and given the key function of the DPMC's Cyclone Recovery Unit to coordinate and align recovery activities, the Taskforce has acted more in the space of bridging between local government, sector, iwi and central government and as a conduit to the Insurance and Finance sectors. As Chair, the Minister for Cyclone Recovery requested me to attend to a range of critical issues as a conscience of process and pace and an umpire when required.

Supporting key delivery workstreams

The Taskforce, primarily through my chairperson role, was actively involved with the *Future of Severely Affected Locations* (FOSAL) workstream including supporting central government's development of the property categorisation framework, driving relationships with the most severely affected regions' councils to carry out the initial risk categorisations, and in the negotiations between Government and councils to agree funding arrangements. More recently I have also been involved in the process for Tangoio category 3 whenua Māori and marae options for alternative land.

The Taskforce also worked closely with the banking sector to develop the economic recovery package, which included the North Island Weather Events (NIWE) Loan Guarantee Scheme and the Primary Producer Finance Scheme developed by the Treasury.

As a collective, we have strived to see pace and certainty delivered for those most affected. Pace is and will continue to be a challenge particularly as the FOSAL workstream, the category 3 whenua Māori and marae programme and Regional Recovery Plans move into implementation.

The Insurance Subgroup

Critical to the FOSAL workstream has been the role of the Insurance Subgroup. The Subgroup was formed in March as a mechanism to convene key members of the insurance sector to streamline engagement with and input into the recovery. This enabled a line of sight across councils' and insurers' view of risk to support councils' property categorisation decisions. The Subgroup has continued to support the Taskforce and has helped to flush out key policy challenges (such as insurability of category 2 properties) and opportunities to transition to a more sustainable funding and financing model for recovery.

Future focus

The funding and financing of recovery from future severe and more frequent weather events has been a recent focus for the Taskforce, and we have provided initial advice in September to the Minister for Cyclone Recovery on the problem definition and policy gaps, such as who pays between public, private and individual, how risk is apportioned, fit-for-purpose planning and regulatory tools, and the role of debt and intergenerational equity. We have seen the extraordinary costs incurred as a result of the NIWE. There is a strong economic argument to invest in preparedness, resilience and risk reduction to minimise the quite simply unaffordable costs which come with doing nothing.

Further to investment in preparedness and resilience, I am of the view the institutional arrangements need to deliver greater simplicity and clarity of roles and responsibilities for future natural disasters and extreme weather events. The system as it currently operates (which encompasses disaster response and recovery) is complex and does not clearly define where responsibilities and decisions sit. This generates barriers to accessing funding, timely policy and regulatory decisions, and forward planning for risk management, funding and financing. We must learn from our experience from the NIWE and other disaster events, as well as learn the lessons from the overseas experience. I acknowledge the Ministerial Inquiry into the Response to the NIWE underway, and while this is focussed on the response during the events (and readiness activities ahead of the events) I expect this will provide critical insight into improvements to deliver a fit-for-purpose system as it relates to recovery.

The decisions as to whether the Taskforce and its membership continues is entirely a decision for you and your colleagues. I know I speak on behalf of the Taskforce members and that they would only wish to continue and be available to support you if you saw value in it.

Thank you for your time in considering this letter and I would be happy to meet with you to discuss any of these matters and the role of the Taskforce at your convenience.

Yours sincerely



Sir Brian Roche, Chair Cyclone Gabrielle Recovery Taskforce

APPENDIX 1

Cyclone Gabrielle Recovery Taskforce Terms of Reference

Context

1. Cyclone Gabrielle has caused significant damage to the northern and eastern parts of the North Island. While the full impacts of the cyclone continue to be assessed, it is clear that the damage is significant, and compounded by the Auckland Anniversary floods. The investment required to reconnect our communities and futureproof our nation's infrastructure will be significant and will require hard decisions and a whole-of-government approach.
2. The Government is committed to working closely with the local communities, iwi, and the private sector to respond, recover and rebuild. It is important that Government is guided closely by the advice and the needs of those affected on the ground. The Cyclone Recovery Taskforce (the 'Taskforce') will enable this by its engagement with regional structures, public sector, Minister for Cyclone Recovery, and Cabinet Extreme Weather Recovery Committee.

Purpose and scope of the Taskforce

3. The high-level purpose of the Taskforce is to pull together and align the economic and infrastructure recovery efforts and those who will work on the recovery; and ensure local, iwi, and business voices have input into decision making. It will provide an independent perspective to the Minister for Cyclone Recovery and Cabinet on what is required for the recovery efforts and to improve resilience in the future. It will advise ministers on the prioritisation and sequencing of needs for each region and provide assurance on implementation of activities to meet those needs.
4. The Taskforce covers all regions affected by the January and February floods and cyclone. Its initial focus will be on the immediate recovery, including whether or not some devastated areas should be rebuilt. It will also lead on planning for future resilience, which will become its greater focus over time. While primarily concerned with economic and infrastructure issues, the Taskforce will have regard to relevant social issues e.g., employment and training to support the infrastructure rebuilds.

Role

5. The Taskforce will:
 - a) Be a key interface between the regional groups, iwi, ministers and central government to ensure their needs are recognised and inform advice to and decision-making by ministers;
 - b) Integrate local views with members' own knowledge and expertise to advise on priorities for recovery and planning and the sequencing of recovery efforts;
 - c) Act as a clearing house both for problems and opportunities, including identifying regulatory, policy, funding, and operational barriers to recovery efforts, and areas where co-ordinated action would be preferable to individual activity (eg, clearing silt across many properties);
 - d) Identify commonalities and differences between the regions to ensure advice considers consistency of approaches or deliberate variations;
 - e) Identify prioritisation and sequencing of work, including policy, to ensure the balance to short-term and long-term responses;

- f) Identify, where and if appropriate, options for retreating from areas of high risk of flooding / damage in the future, along with potential approaches to funding and regulatory implications;
 - g) Ensure the integration and alignment of Government resources with respect to infrastructure to the identified and agreed needs of the regional communities;
 - h) Identify, if necessary, areas where future developments might occur to lessen natural hazard risks in the future;
 - i) Collate and share information and, where relevant and possible, de-conflict views;
 - j) Provide an independent view on the effectiveness of recovery activities (this could include reporting itself or commenting on / recommending amalgamated reporting from the Cyclone Recovery Unit or other relevant parties such as insurers);
 - k) Begin identifying opportunities to build more resilient infrastructure.
6. The Chair will also comment on relevant Cabinet papers.
7. The following functions are outside the scope of the Taskforce's role:
- a) Decisions about policy and funding – they are the responsibility of the Extreme Weather Recovery Committee and councils;
 - b) Welfare and social support response – this will be the role of the relevant agencies;
 - c) Procurement or contracting – this will be the role of the relevant agencies; and
 - d) Operational delivery.
8. The Taskforce will work closely with the public sector, including relevant Crown entities, in performing its roles.

Reporting and accountability

9. The Taskforce will report in, via the Chair, to the Extreme Weather Recovery Cabinet Committee. The Committee and the Minister for Cyclone Recovery will be able to give the Taskforce specific tasks. It may also initiate its own activities.
10. The Taskforce will meet regularly with the Minister on behalf of Cabinet.

Membership

11. Sir Brian Roche is the Chair of the Taskforce.
12. Members will be drawn from following:
- a) Business New Zealand and one other person with business experience
 - b) NZCTU;
 - c) Local government; and
 - d) Iwi.
13. The Chief Executive of the Cyclone Recovery Unit and the Secretary to the Treasury will attend meetings.

14. The Taskforce may establish sub-groups for certain sectors or issues, eg, insurance. It may co-opt members onto the subgroups as required. Initially, the following sub-groups will be established:

- a) Insurance and banking;
- b) Utilities and telecommunications; and
- c) Infrastructure, construction and roading (including Waka Kotahi and Kainga Ora).

15. Members will be appointed for 12 months with a possible further 12 months.

Fees and reimbursements

16. Letters of appointment will detail the remuneration and reimbursement arrangements for the Chair and members.

Secretariat

17. DPMC's Cyclone Recovery Unit will provide secretariat support. It will support the Chair to arrange and hold meetings, identify agenda priorities, manage the flow of information, support the development and preparation of written advice, and maintain sound board practices. It will also support any sub-groups.

Meetings

18. The Taskforce is expected to meet fortnightly initially, at a minimum, with discretion to meet more frequently. The Chair will determine the meeting processes.

19. Members who are unable to attend a meeting of the Taskforce cannot delegate attendance responsibilities.

Information requirements

20. The Taskforce is likely to require information from other agencies and stakeholders on the response. The Taskforce will regularly engage with the responsible Minister or the Cyclone Recovery Unit regarding information requirements and, at the direction of the Minister, the Minister's Office or the Cyclone Recovery Unit will liaise with the relevant agencies and officials to request such information.

Official Information Act

21. The Taskforce is subject to the Official Information Act. This includes any correspondence, minutes of meetings, and materials prepared by or provided to the Taskforce.

Media

22. The Chair will be responsible for any public statements on behalf of the Taskforce. The Chair should inform the Minister's Office of any requests to comment prior to releasing a public statement, operating under a principle of 'no surprises'.

Declarations of conflict

23. The Chair and Members are responsible for declaring any real or potential conflicts. Any real or perceived conflicts will be discussed by the Chair and/or responsible Ministers, and mitigations put in place if necessary.

General confidentiality requirements

24. Members of the Taskforce must maintain confidentiality of matters discussed at meetings, and any information or documents (not otherwise publicly available) provided to the Taskforce.

Removal of Members

25. Any serious breach of any of these Terms of Reference may result in responsible Ministers removing a member from the Taskforce at their discretion. Serious breaches of the Terms of Reference include, but are not limited to, a breach of confidentiality, unauthorised communication with media about the Taskforce, or a failure to declare, or appropriately manage, a conflict of interest.

26. Any member removed from the Taskforce can be replaced with a new member at the discretion of the responsible Ministers.

Disestablishment of the Taskforce

27. The Taskforce will operate until March 2024 with a possible extension for a further year. It may be disestablished at any time prior to this date at the discretion of responsible Ministers. The Cyclone Recovery Unit will provide advice to the Minister for Cyclone Recovery in late 2023 on whether an extension is required.

Attachment C: Taskforce Members' Biographical Information

Sir Brian Roche

(Chair, Cyclone Recovery Taskforce)

Sir Brian Roche brings extensive governance, leadership, and business experience. He has held senior leadership positions across the public and private sectors, including as a senior partner in what is now PricewaterhouseCoopers, as Chief Crown Negotiator for Te Tiriti o Waitangi settlements, as leader of the 2011 Rugby World Cup hosting rights bid and as Chief Executive of the New Zealand Post Group. Sir Brian Roche has also held Board Chairpersonships including with the Auckland Regional Transport Authority, the New Zealand Transport Agency, the Hurricanes Super Fifteen Franchise, and Antarctic New Zealand. He has worked with both central and local government regarding large scale project delivery, which will provide him with a strong background to lead the cyclone recovery taskforce.

Over the COVID-19 pandemic response, Sir Brian Roche chaired the advisory committee to oversee the implementation of the New Zealand COVID-19 Surveillance Plan and Testing Strategy, and the Ministerial Advisory Group for COVID-19 Independent Continuous Review, Improvement and Advice. He is also a Life Member of the Australia New Zealand Institute of Chartered Accountants and was awarded a Knights Companion of the New Zealand Order of Merit in 2016.

Anne Tolley

(Chair of the Tauranga City Council Commission)

Anne Tolley has served 37 years in politics, starting in 1986 as a local government councillor. She became a member of the national government of New Zealand in 1999 and remained a Member of Parliament until her retirement from Parliament in 2020. During her Parliamentary career she held many Ministerships and was appointed Deputy Speaker of the House of Representatives in November 2017. She chaired a cross-party steering group to develop a parliamentary code of conduct, re-instigated and chaired the New Zealand chapter of the Global Organisation of Parliamentarians against Corruption (GOPAC). Anne has been the Chair of the Tauranga City Council Commission since 2021.

Adrian Littlewood

(Business experience)

Adrian Littlewood was the Chief Executive of Auckland International Airport from 2012 to 2021. Highlights of his nine years as Chief Executive include:

- developing new 30-year masterplan for airport infrastructure and launching development programme
- managing the Airport through the impact of COVID-19
- doubling size and value of the commercial property portfolio
- securing consent for full length second runway
- establishing the Auckland Airport Ara Job and Skills Hub programme in partnership with government agencies, schools, and employers.

Prior to his role at Auckland International Airport, Adrian held a number of roles in the telecommunications industry in both the United Kingdom and New Zealand.

Bayden Barber

(Chairman of the Ngāti Kahungunu Iwi Incorporated Board)

Bayden Barber is the Chairman of the Ngāti Kahungunu Iwi Incorporated Board and was elected with the highest votes at the 2022 triennial election. Bayden resides in Waimārama where he is heavily involved with his community and Waimarama marae. Bayden served for two terms on the Hastings District Council.

Bayden's strengths lie in organisational governance and leadership. He currently holds a number of governance roles for local, regional and national organisations. He has solid business acumen and an informed view on local and national political and social issues. He is versed in tikanga and fluent in te reo Māori. In addition to formal governance roles, Bayden holds a number of voluntary community leadership positions in an effort to support community development. Bayden is also a Kahungunu Asset Holding Company Director.

Craig Renney

(Economist and Director of Policy, New Zealand Council of Trade Unions)

Craig Renney has a strong background in economics development research and brings significant experience and skills that include:

- the machinery of government and working with Ministers
- economic development (particularly regional economic development) both from a theoretical and practical perspective
- working with the NZ business community to reach common outcomes and goals. This includes recent, high-profile experience of policy costing, policy development, and policy alignment processes
- public finance process, and Budget processes. Craig is currently employed with worker representative groups and has experience of working with these groups.

Katie Murray

(Kai Arahī - CEO Waitomo Papakainga Development Society Inc; Chair Te Runanga O Te Rarawa)

In 2020 Katie Murray was made a Member of the New Zealand Order of Merit for service to Māori and the community. Her accomplishments include being chairperson and trustee of Te Hiku Iwi Development Trust for three years, including membership of Te Hiku Accord. Katie has also run the Waitomo Papakainga Development Trust family-focused social service organisation for 30 years.

In 2013, she initiated the bringing together of iwi/Māori social service providers in Te Hiku to form Te Kahu Oranga Whānau, and subsequently drove the establishment of a partnership between Te Kahu Oranga Whānau and Oranga Tamariki.

In 2019, she was the lead organiser of the Safe and Effective Justice hui held in Rotorua for Māori. In efforts to reduce family violence in Kaitia, she initiated a collaborative partnership between police and iwi/Māori providers.

In 2019, she also set up a shelter for the homeless and to provide meals on Sundays for families experiencing financial hardship. She has been a member of key advisory bodies for Oranga Tamariki and the Ministry of Social Development.

Murray was deputy chair for Te Rūnanga O Te Rarawa for eight years. In 2003, Murray was awarded a Queen's Service Medal for community service.

Leeann Watson

(CEO, The Canterbury Employers' Chamber of Commerce)

Leeann Watson has been CEO of The Canterbury Employers' Chamber of Commerce since 2018 and prior to that the General Manager since 2010.

Leeann interfaces with the business community at all levels and across all sectors and has many years' experience in working in partnership with both Local and Central Government. Over the last 11 years Leeann has set up a wide range of business recovery and response teams and activations in response to the adversity faced in the South Island.

Leeann's previous experience in leading through crises includes the establishment of Recover Canterbury and the Canterbury Business Recovery Trust Fund both of which were instrumental in leading business recovery across Canterbury business following the 2010/11 Christchurch earthquakes. The Chamber was also called up on to support Kaikoura business recovery post the Kaikoura earthquake and Muslim-led businesses after the 15 March terror attacks. Most recently Leeann has led the COVID-19 business support and recovery through the establishment of the COVID Business Helpline for the South Island.

Leeann has also held governance roles in both education and sport and is currently in advisory roles to Government on small business and trade.

Selwyn Parata

(Chair, Te Runanganui o Ngāti Porou).

Selwyn Parata brings extensive governance experience, whānau, hapū, iwi, and community development experience, and iwi and regional leadership expertise and experience. Selwyn is one of the most experienced iwi, regional, commercial, cultural and social governance/leaders in Tairāwhiti, with a thorough knowledge of the region's history, people and landscape and the region's environment, infrastructure, business and whānau, hapū, iwi, and community development aspirations and agenda.

He has been a member of Te Runanganui o Ngāti Porou since 2012, Chairman for the past 8 years and prior to that a Board member/ Deputy Chair of Te Runanga o Ngāti Porou for twenty-seven years. and served as a board member of Ngāti Porou iwi authorities for thirty-five years and attended every board meeting

As Co-Chair of Rau Tipu Rau Ora (Tairāwhiti Regional Leadership Forum), he has purposefully and actively worked to ensure Tairāwhiti is well positioned to address, respond, recover and rebuild from all adversities that the region is confronted by, be that a pandemic, economic challenges, natural disasters and cultural tensions.

Date

Address line 1

Address line 2

Address line 3

LOCATION POSTCODE

Dear [Taskforce member]

I am writing to you to advise you that I, with the Prime Minister Hon Christopher Luxon, have decided to disestablish the Cyclone Gabrielle Recovery Taskforce. In making this decision, we have considered how the recovery structures have evolved since the Taskforce was established, and in particular the role of the Cyclone Recovery Unit to coordinate, sequence, and prioritise the recovery programme, and carry out local engagement.

I would like to take this opportunity to thank you for your involvement in the Taskforce. I have spoken with Sir Brian Roche who has provided me with an overview of how the Taskforce has supported the recovery, including the most recent future focussed advice on the funding and financing recovery from future severe weather events. Each member has provided valuable insight into the impacts of the weather events from different sectors of society. I acknowledge that you and other members are likely to remain connected with the recovery efforts given your roles and connections, and I look forward to potentially seeing you in that context in future.

Your willingness to give your time and energy to support affected regions' recovery from the severe weather events in early 2023 is very much appreciated.

Many thanks again and I wish you all the best for the coming year ahead.

Yours sincerely

Hon Mark Mitchell
Minister for Emergency Management and Recovery



Coversheet

Briefing: Options for consideration: Cyclone Recovery dispute resolution mechanisms

Date:	2/02/2024	Report No:	DPMC-2023/24-570
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	[High]

	Action sought	Deadline
Hon Mark Mitchell Minister for Emergency Management and Recovery	agree to recs	12/02/2024

Name	Position	Telephone	1 st Contact
Katrina Casey	Chief Executive Cyclone Recovery	s9(2)(a)	✓
Anna Wilson-Farrell	Executive Director, Strategic Policy and Legislation, Cyclone Recovery Unit	s9(2)(a)	

Departments/agencies consulted on Briefing
Body text here

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: Yes

Briefing

Options for consideration: Cyclone Recovery dispute resolution mechanisms

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	2/02/2024	Security Level	IN-CONFIDENCE UNCLASSIFIED
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Purpose

1. To provide you with options for consideration to give effect to the National Party manifesto commitment to establish a Cyclone and Flood Recovery Ombudsman.

Executive Summary

2. One of the National Party's manifesto commitments was *to establish a Cyclone and Flood Recovery Ombudsman to give those affected by Cyclone Gabrielle and other recent major flooding events an independent and impartial voice to ensure government decisions are fair and equitable in the context of providing a faster recovery.*
3. The three most-affected regions (Auckland, Tairāwhiti and Hawke's Bay) have developed their own review/dispute resolution processes, with varying levels of robustness. Other councils who are undertaking FOSAL categorisation have yet to establish their own processes.
4. There are multiple different models available, with different pros and cons associated with each. For all options there remains the ability to escalate issues to the High Court for judicial review or to the existing Office of the Ombudsman.
5. Options should be assessed against the following criteria: locally led, fairness, certainty, speed, and cost, with speed and cost weighted more heavily. Speed will often be most effectively achieved by leveraging existing processes.
6. The most effective option is for the existing Ombudsman arrangements to be used. To ensure speed of complaint resolution, the Government could offer contributory funding to the Office of the Ombudsman to fund approximately three ring-fenced FTEs for the remainder of 2023/24 and for the 2024/25 financial year, at an estimated cost of \$300,000 in 2023/24 and \$600,000, in 2024/25. This would ensure complaints raised regarding cyclone recovery matters are investigated and resolved within three months of receipt.
7. There is no pathway or source of new funding to implement this proposal. However, it could be funded from savings resulting from the decision to scale back the Cyclone Recovery Taskforce. That decision releases funds in the order of \$2m in 2024/25, \$600,000 of which could be used for this purpose. The current year portion can be funded from savings in the

Briefing: Options for consideration: Cyclone Recovery dispute resolution mechanisms

DPMC-2023/24-570

current year. The savings are tagged to be used by the wider DPMC to meet cost pressures in the 2024/25 year. If this was funded, \$1.4m would remain for DPMC.

8. Progressing this proposal and using this funding would need to be discussed with the Prime Minister's Office as they are working with the Prime Minister and the Chief Executive of DPMC on DPMC budget matters for 24/25 and the Taskforce funding is part of a DPMC appropriation.

Recommendations

We recommend you:

1. **note** that some homeowners may disagree with the designation of their land and/or residence as category 1, 2 or 3, or disagree with either the substantive valuation amount or the process followed to determine it;
2. **note** that the three most-affected regions have developed their own review/dispute resolution processes, with varying robustness across regions;
3. **note** that the standard recourse available to all who are not satisfied by actions undertaken by central or local government is to challenge processes and decisions through judicial review and/or via the Ombudsman, as appropriate;
4. **agree** that the existing Office of the Ombudsman continue to be the review mechanism for NIWE related complaints and provide contributory funding to the Office of the Ombudsman to fund tagged FTEs within the office at a \$300,000 FY 23/24 and \$600,000 FY 24/25, to ensure complaints raised regarding cyclone recovery matters are investigated and resolved within three months of receipt;


YES / NO

OR

5. **direct** the CRU as to your preferred option(s);
6. **provide** this briefing to the Prime Minister's Office and **discuss** the proposal and the contribution of part of the savings from scaling back the Cyclone Recovery Taskforce;
7. **note** that there is no pathway for new funding for the 2024/25 financial year in order to implement this proposal;

YES / NO

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
02./ 02./ 2024

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

Background

9. One of the National Party's manifesto commitments was *to establish a Cyclone and Flood Recovery Ombudsman to give those affected by Cyclone Gabrielle and other recent major flooding events an independent and impartial voice to ensure government decisions are fair and equitable in the context of providing a faster recovery.*

Future of Severely Affected Locations (FOSAL) dispute resolution/review processes

10. While a dispute resolution mechanism could be established to address any parts of the recovery, decisions emerging from the FOSAL process and implementation are likely to be the predominant sources of complaint.
11. The FOSAL policy approach is locally led, centrally supported process to address the future use of land that was severely affected by the North Island Weather Events.
12. Central government has provided the FOSAL framework and provide funding and other support (such as funding advice from an environmental and engineering consultancy company on the best practice approach to undertaking categorisation). The FOSAL policy is locally led and central Government has no role in decisions about categorisation or buy out of individual properties. Councils have developed region-specific detailed policies for categorisation and buy out of policies.
13. The three most severely affected regions are at different stages in the categorisation of properties as per their locally established policies and processes. Some homeowners may disagree with the categorisation of their land and/or residence as category 1, 2 or 3. They may also disagree with the valuation of their property (either the substantive valuation amount or the process followed to determine it).
14. Councils have put in place dispute resolution processes for the Category 3 buyout process, but all end with either a council-level decision or a council Chief Executive decision. A summary of those processes is appended in **Attachment A**. The remaining councils undertaking Category 3 buyouts will be considering their own appropriate dispute resolution processes in the coming months, if not already.
15. The dispute resolution/review model is fundamentally different from previous experiences (such as Christchurch and Kaikoura quakes) as the Crown is at arms' length from buyout activities and not categorising or buying the properties itself. The Crown is providing 50% of the funding for buyouts councils decide to pursue, less insurance and/or EQC payments.

Whenua Māori and marae dispute resolution/review process

16. For whenua Māori and marae buyout processes, which are undertaken by the Crown, recourse to the Office of the Ombudsman (the Ombudsman), Waitangi Tribunal and judicial review remain as options, should Māori landowners consider that a decision was made incorrectly or that the Crown may have breached its Treaty obligations.
17. The best way to mitigate this risk is to ensure as few disputes reach this point of resolution as possible. Therefore, it is important that all elements that may give rise to disputes are identified and mitigated. This forms a part of the design work for the whenua Māori and marae pathway currently underway. This paper therefore focusses on the council-led/general title land FOSAL pathway only.

Established review bodies and processes (High Court review, existing Ombudsman complaint process) remain available

18. The standard recourse available to all who are not satisfied by actions undertaken by central or local government is to challenge processes and decisions through the High Court (via judicial review) and/or by complaint to the Ombudsman, as appropriate.
19. For councils using the Public Works Act 1981 to compulsorily acquire land (only Auckland Council so far, who may do so under their Making Way for Water programme), the Land Valuation Tribunal may also be used for valuation dispute.

High Court review

20. If a government agency or official decision under a power granted to it by an Act affects an individual, the individual concerned may be able to apply to the High Court for a judicial review of the decision-making process. The Court will consider whether the process by which a decision was reached was appropriate, and if not, can overturn, quash, or cancel the decision or order the agency or official to take particular action – for example, ordering them to reconsider the issue and make a fresh decision.
21. Judicial reviews are costly, often costing both parties hundreds of thousands of dollars, and may also be time intensive.

Existing Ombudsman function

22. Under the Ombudsman Act 1975, the Ombudsman can investigate any decision or recommendation made, or any act done or omitted, relating to a matter of administration by any government agency, local government body, and their employees. This means all decisions made by local councils under FOSAL to date already fall within the remit of the existing Ombudsman.
23. The recommendations made by the Ombudsman after an investigation are not binding. The Ombudsman may request the agency concerned to notify it, within a specified time, of the steps (if any) that it proposes to take to give effect to their recommendations but cannot require compliance with recommendations.
24. Of note is the length of time it takes for a complaint made to the Ombudsman to be investigated and for recommendations to be made. The Chief Ombudsman's target is to complete 70% of complaints within three months, 80% within six months and 95% within a year.

Current Ombudsman support for FOSAL complaints

25. The Ombudsman recently published a report titled *Insights and Observations: The Chief Ombudsman's report on extreme weather events 2023*. That report predicts there will be a wave of complaints raising concerns about the decisions being made. The Ombudsman has received circa 80 complaints so far but anticipates receiving the bulk in the 12-18 months following events and is increasing office capacity in preparation.

Analysis of potential options to support dispute resolution mechanisms under FOSAL

To support the council FOSAL pathway, there are a range of dispute resolution models available

26. The spectrum of options runs from providing guidance and advice to local government on how they might establish their own review/appeal system, through to the creation of bespoke dispute resolution system or even a tribunal. The following table (*Table One: Pros/cons of options to support dispute resolution mechanisms under FOSAL*) provides a high-level analysis of the options available.

Table One: Pros/cons of options to support dispute resolution mechanisms under FOSAL

Pros	Cons
Option 1: Provide guidance and advice to local government on establishing their own review/appeal system.	
<ul style="list-style-type: none"> Moderate certainty to homeowners as once they have a council's answer on their review challenge it is binding. 	<ul style="list-style-type: none"> Cost to central govt of \$0-\$500,000 (approximate). Least procedurally fair to homeowners. Every council will have its own approach. Some may offer no review/appeals process at all. Appeals that don't result in change may be badly received by homeowners. Councils may choose not to follow the guidance, and some may offer no review/appeals process at all. Mitigated by ensuring the guidance adds value for councils and addresses their concerns not just that of homeowners. No indication from councils that this is desired.
Option 2: Provide guidance and advice, plus fund the development of a shared external expert advisory/review panel and process.	
<ul style="list-style-type: none"> Increased fairness. Guidance can be given quickly, and the CRU can set timeframes to ensure speed once established. If councils and homeowners agree to decisions being binding, can give much greater certainty. 	<ul style="list-style-type: none"> Cost to central government of up to \$100,000 (approximate). Could be hard to implement if councils do not buy into the process and may take time to reach agreement between councils. No indication from councils that this is desired.
Option 3: Use the role of the existing Ombudsman and consider providing contributory funding to expedite complaint resolution	
<ul style="list-style-type: none"> No delay to establish function. Increases capacity and speed of investigations. Shows government commitment to making the process fair without intruding on locally led model. Time delays in providing resolutions to complaints can be mitigated by providing contributory funding to ensure complaints are resolved within three months of receipt. 	<ul style="list-style-type: none"> Contributory cost to central government of \$900,000 (approximate). Ombudsman investigations take a considerable length of time, with report and recommendations often being published months after referrals are made. If a decision is to be revisited by the council as a result, the decision-making process may also begin again. Ombudsman model does not provide binding decisions, so no increase in certainty.

Pros	Cons
Option 4: Creation of a dedicated Ombudsman	
<ul style="list-style-type: none"> Same pros as for use of current Ombudsman function above. 	<ul style="list-style-type: none"> Cost of above \$5m for establishment and operating costs (approximate). Primary legislation is required, that could take approximately three months if fast tracked and select committee process removed or severely truncated. It would need to be established (including staffing and procedures being set). Investigations couldn't begin for at least six months, then could take three months or more to investigate the initial wave of complaints and recommend actions.

Most effective option: use the role of the existing Ombudsman and consider providing contributory funding

27. Most important in the pros and cons for each option are the factors of speed and cost. If a process or mechanism takes months to establish, plus additional months for a homeowner to go through the process, it will not provide them with a certain outcome in 2024. Speed will often be most effectively achieved by leveraging existing processes. Additionally, while costs under \$1m may be able to be met from Taskforce savings, funding will need to be found for more costly options.
28. Given the importance of those factors, and the pros and cons of each option noted in Table One, if you wish to strengthen dispute resolution mechanisms under FOSAL you could do so most effectively by supporting the existing Ombudsman. To mitigate the lack of speed in the current complaint resolution process, you could offer to fund additional staff for a limited time at an estimated cost of \$900,000 for the remainder of 23/24 and for 24/25¹, to ensure complaints raised regarding cyclone recovery matters are investigated and resolved within three months of receipt. By increasing the capacity and speed of investigations, this will show the Government's commitment to making the FOSAL process fair without intruding on the locally led model.
29. This option will provide all the benefits of having a dedicated Ombudsman function, without any of the drawbacks present with establishing a new Ombudsman position (such as high cost and length of time to establish).

Other options considered

30. While providing councils with advice or getting an agreed shared external expert advisory/review panel and process are also good options in theory, in practice they would be hard to implement. Agreement amongst councils to a shared process would likely be (at best) a lengthy and difficult process. This means there would be considerably more time required to reach agreement and establish the process before it can start to be used, which does not meet the objective of speed. Each of the Councils has adopted different policies which would make a common review function challenging to manage.

¹ \$300,000 in Financial Year 23/24 and \$600,000 in Financial Year 24/25.

Treaty of Waitangi considerations and te ao Māori perspective

31. As the majority of whenua Māori land will be considered through the whenua Maori and marae pathway, there are no significant Treaty of Waitangi or te ao Māori considerations. However, the approach proposed in this briefing supports Māori in affected communities with general land engaging with the FOSAL pathway to through a fair and transparent process.

Financial implications

32. Contributory funding for the existing Ombudsman function of circa \$900,000 could be provided from the decision to scale back the Cyclone Recovery Taskforce [DPMC-2023/24-597 refers]. The CRU can fund the current year cost of \$300,000 and it would need \$600,000 from the 24/25 savings of \$2m. The CRU funding is part of the DPMC appropriation. In order to repurpose some of the savings, discussion with the Prime Minister's office and agreement from the Prime Minister is required.
33. If the decision to part use 24/25 Taskforce savings was positive, this would need to be reflected in the DPMC Budget submission on the 16 February.

Next steps

34. The next step is to provide this briefing to the Prime Minister's Chief of Staff and discuss both the proposal and the repurposing of part of the savings for 24/25 from scaling back the Cyclone Recovery Taskforce.
35. If the decision is to proceed, we will discuss with the Ombudsman the amount of any contributory funding and seek a specific proposal for that amount, noting that it would be a contribution should the Ombudsman consider a higher cost is necessary.

Attachments:	Title	Security classification
Attachment A:	Summary of councils' Category 3 dispute resolution processes	Unclassified

Attachment A: Summary of councils' Category 3 dispute resolution processes

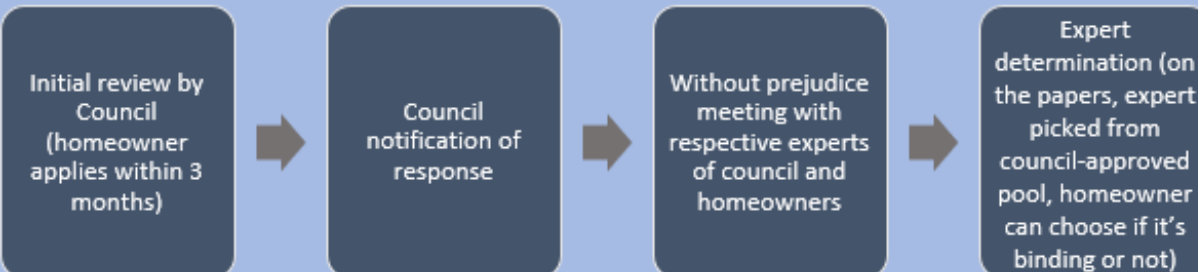
Category 3 Dispute Resolution Processes: Auckland

Disputes covered:

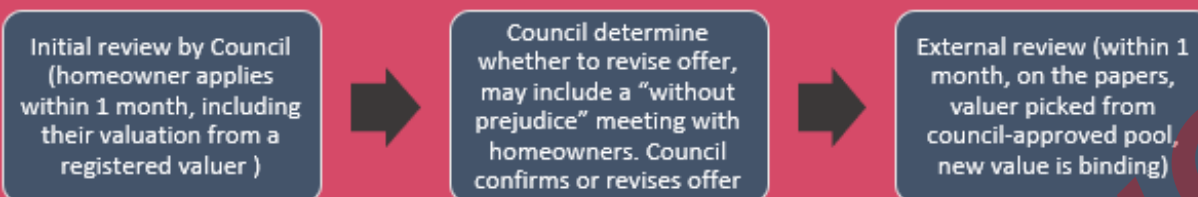
- the categorisation of the property as category 1, 2C, 2P or 3 (**categorisation decisions**);
- the reference valuation contained within the council's offer to buy a property (**valuation decisions**);
- the outcome of an application made under the "special circumstances" category (**special circumstances decisions**); and
- the outcome of decisions relating to insurance proceeds, including EQC proceeds or the outcome of a decision relating to the individual circumstances of an uninsured homeowner (**insurance decisions**).

Funding of up to \$5,000 is provided by Council as part of the buyout offer for an independent valuation and legal fees.

Categorisation decisions disputes



Valuation decisions disputes



Special circumstances and insurance decision disputes



At any point the homeowner may seek a judicial review in the High Court of the council's decision-making processes or may make a complaint to the Office of the Ombudsman. Valuation disputes where Public Works Act 1981 is used to compulsorily acquire land can also use the Land Valuation Tribunal.

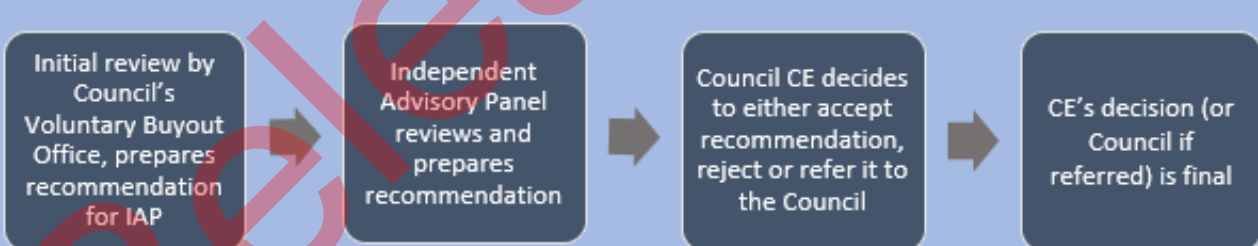
Category 3 Dispute Resolution Processes: Hawke's Bay

Disputes covered:

- the reference valuation contained within the council's offer to buy a property (**valuation decisions**);
- the development of the council's buyout offer (**offer development**); and
- the way in which process steps have been completed (**processes**).

Funding of up to \$5,000 is provided by Council as part of the buyout offer for an independent valuation and an additional up to \$5,000 for legal fees.

Valuation, offer and process disputes



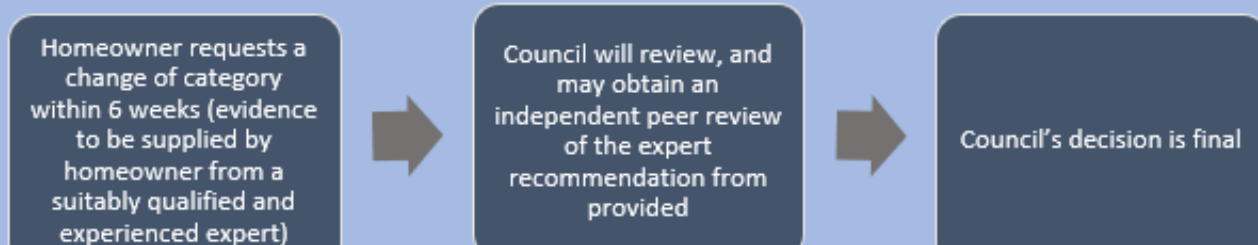
At any point the homeowner may seek a judicial review in the High Court of the council's decision-making processes, or may make a complaint to the Office of the Ombudsman.

Category 3 Dispute Resolution Processes: Gisborne

Disputes covered:

- the categorisation of the property as category 1, 2C, 2P or 3 (**categorisation decisions**)
- No funding provided for valuation, though funding is available for legal costs.

Categorisation decision disputes



At any point the homeowner may seek a judicial review in the High Court of the council's decision-making processes, or may make a complaint to the Office of the Ombudsman.



**DEPARTMENT OF THE
PRIME MINISTER AND CABINET**
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

Coversheet

Briefing: Spending \$2 million for small-scale community-led initiatives

Date:	15/03/2024	Report No:	DPMC-2023/24-931
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	[Medium]

	Action sought	Deadline
Hon Mark Mitchell Minister for Emergency Management and Recovery	agree to use \$2 million to fund communities in Auckland to get storm ready through a process administered by the Auckland Council.	By 22March 2024

Name	Position	Telephone		1 st Contact
Katrina Casey	Chief Executive Cyclone Recovery	s9(2)(a)	s9(2)(a)	✓
Anna Wilson-Farrell	Executive Director, Strategic Policy and Legislation	s9(2)(a)	s9(2)(a)	

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: Yes

Briefing

Spending \$2 million for small-scale community-led initiatives

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	15/03/2024	Security Level	IN-CONFIDENCE UNCLASSIFIED
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Purpose

1. This briefing seeks your approval of the method to administer \$2 million from the Local Government Flood Resilience Co-Investment fund to speed up small-scale, community-led projects such as waterway clearing ahead of winter.

Recommendations

We recommend you:

1. **note** that on 26 February 2024, Cabinet agreed to use \$2 million from the Local Government Flood Resilience Co-Investment fund to speed up small-scale, community-led projects such as waterway clearing ahead of winter.
2. **agree** that the \$2 million will be used to fund communities in Auckland to get storm ready for winter 2024 and improve future resilience through a process administered by the Auckland Council. YES / NO
3. **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

15/03/2024

Hon Mark Mitchell
Minister for Emergency Management and Recovery

...../...../.....

Background

2. A \$100 million Local Government Flood Resilience Co-Investment Fund (the Flood Resilience Fund) was approved for local authorities in areas impacted by the North Island Weather Events (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.
3. On 26 February 2024, Cabinet agreed [100-24MIN-0008 refers] that up to \$2 million from this fund be used to speed up small-scale, community-led projects (such as waterway clearing ahead of winter). All of the NIWE-affected regions except Auckland have received funding from the Flood Resilience Fund.
4. As winter nears, homeowners and communities in Auckland who live next to streams and waterways continue to raise concerns regarding blockages and accumulated material. Given their legal obligations, residents could be required to hire earthmoving equipment and spend tens of thousands of dollars unblocking streams and waterways on their properties or clear waterways themselves.¹ As part of your visit to the Rānui community you heard a range of concerns about the difficulties in doing this that also included the dumping and removal of rubbish from these waterways. Some properties may also be vacant and left derelict since the NIWE, with the burden left on communities to action these clean ups.

Speeding up small-scale, community-led projects in Auckland

Auckland Council is best placed to deliver a small-scale, community-led process

5. We recommend providing the \$2 million funding approved by Cabinet to the Auckland Council to administer a community grants programme for physical improvements to waterways and to carry out operational maintenance support to enable community clean-up efforts. Given the targeted (and small-scale) nature of the funding, an efficient allocation structure is needed. The Council is best placed to administer funding directly to communities at pace and carry out the difficult and hazardous work communities cannot do alone.
6. We recommend that the full amount of the funding is provided to the Auckland Council because of the large number of waterways through residential properties. This funding will enable increased activity to clear the stormwater network, including streams, bridges, culverts, catchpits and overland flow paths – reducing the risk of further flooding from storms.
7. Expanding eligibility beyond Auckland would slow down the speed at which the work could get underway and would require processes that are inconsistent with the approved amount of funding. Whilst other councils have previously identified funding needs for waterways blocked by organic matter (including woody debris), those funding needs were addressed through previous tranches of the Flood Resilience Fund.

¹ The Local Government Act 1974 puts obligations on private property owners to ensure that waterways running through their properties are free from blockages. Outside of severe weather events such as the NIWE, this obligation is rarely tested.

8. The Auckland region is the only region which has not received any funding from the Flood Resilience Fund to date as the Council has prioritised applying for funding from other areas in the recovery.

We do not recommend a broader grant process led by the Cyclone Recovery Unit (the CRU)

9. We have considered whether community groups could apply directly for funding to the CRU. This approach is not recommended as it would be inefficient and overly centralised. An open expression of interest process like this would take time to set up and review applications and would create paperwork for largely volunteer-led community groups for a small fund that could be oversubscribed. This would not result in clean up activity being underway before winter. This would also not reflect the locally led nature of the recovery to date.

Eligibility criteria, projects and assurance processes

10. To be eligible for funding, the CRU recommends the projects must meet the following objectives:
- Support recovery from the NIWE;
 - Improve community safety and confidence before winter;
 - Protect residential properties; and
 - Are community focussed or led.
11. With this funding, the Auckland Council can progress a programme of work to accelerate Aucklanders' storm readiness. The Council proposes administering a small-scale community grant scheme for physical improvements. It is aware of projects ready to go, which would involve community events, equipment and waste disposal. The Council has also proposed using contractors and council staff to do the difficult and hazardous work that communities can't do alone including bank remediation in Pooks Road and Rānui. A summary of the proposed work is attached at **Appendix A**.
12. The CRU will work with Crown Infrastructure Partners to support Auckland Council to deliver the projects and work through milestones. The CRU will provide updates on the initiatives funded through the Flood Resilience Fund in the June health check that will report back to Cabinet on the status of delivery of commitments from central and local government.

Financial implications

13. There are no financial implications for this briefing. You (and joint Ministers)² will be provided with a briefing seeking approval for the formal drawdown of the appropriation before the end of April 2024.

² Joint Ministers with delegated authority are yourself and the Ministers of Finance and Local Government

Next steps

14. We do not consider that decisions are required from joint Ministers for the allocation of this funding given that Cabinet has approved the purpose. However, you may want to advise the Minister of Finance and the Minister of Local Government how you plan to use this fund given their roles in making decisions on the Flood Resilience Fund.
15. A briefing with the financial recommendations for the draw down of \$10.537 million from the Flood Resilience Fund for three initiatives agreed by Cabinet [100-24-MIN-0008 refers] will be provided to joint Ministers in April. At that time, the CRU (in consultation with the Department of Internal Affairs and the Treasury) will provide you with options for utilising the approximately \$4 million balance of the tagged contingency.
16. Pending your decisions, the Chief Executive Cyclone Recovery will inform the Auckland Council Chief Executive. A draft media release is also attached at **Appendix B**. We will work with your office and Auckland Council to agree the timing of the announcement and to ensure public messaging is coordinated and consistent.
17. The CRU and Crown Infrastructure Partners will monitor and provide assurance of the funding.

Attachments:	Title	Security classification
Attachment A:	Summary of potential projects from Auckland Council	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Draft media release	IN-CONFIDENCE UNCLASSIFIED

Attachment A: Summary of potential projects from Auckland Council

Proactively Released



Proposed project elements*

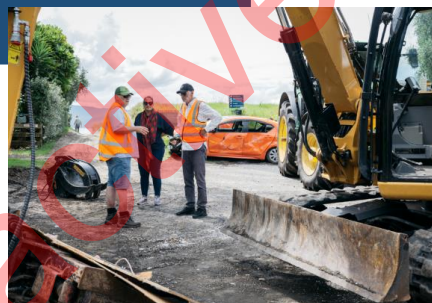
1. Community grants scheme for physical improvements

- \$400,000 grant funding
- Some projects ready to go, awaiting funding
- Community facilitators
- Community events
- Equipment
- Waste disposal
- Support to groups for continued stream care



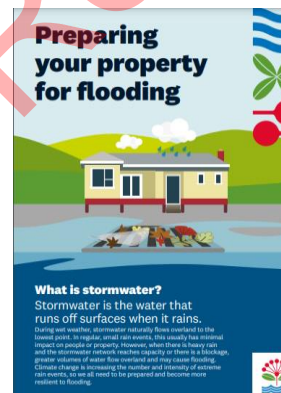
2. Operational maintenance support

- \$1,400,000
- Doing the difficult and hazardous work communities can't do alone
- Bank collapse remediation, e.g. Pooks Rd, Ranui
- Large debris removal, e.g. Henderson and Waiwera
- Large scale waste collection and disposal



3. Flood-ready homes and businesses campaign

- \$200,000
- Targeting flood-prone areas with property-level information



Partners

- Existing partner community organisations incl. Kaipatiki Trust, Ecomatters Trust, Restore Hibiscus and Bays, Otara Waterways and Lakes Trust
- Resident groups in flood impacted areas

*Projects subject to further scoping and costing

Attachment B: Draft media release

Additional funding for Auckland flood resilience

The Government is contributing \$2 million to support community-driven flood resilience projects in Auckland, says Mark Mitchell, Minister for Emergency Management and Recovery.

“Last year’s flooding was some of the worst New Zealand has ever seen – and its devastating impacts were exacerbated by debris, blockages, and pinch points in the stormwater network.

“It carried all manner of materials in its path, including household contents, building materials, machinery and plastics.

“It also severely damaged the region’s waste infrastructure, and that’s made the job of cleaning up after the cyclone even harder.

“Earlier this year I met with communities in Auckland as part of the Government’s 100-day plan, and I heard first-hand the concern about their waterways.”

“This money will help speed up small-scale projects to make communities safer as we head into winter,” says Mr Mitchell.

More than 50,000 Auckland properties sit in flood plains and around 20,000 buildings are at risk of above-floor flooding.

“Communities are seeking opportunities to actively contribute to neighbourhood and stream cleanups.

“In the event of flooding, many Aucklanders don’t know how best to prepare their homes and businesses to minimise impacts, meaning the impacts are more serious than they should be.”

This funding is for a ‘Storm Ready Fund’, led by Auckland Council, spanning community clean-up events to remove debris from streams, maintenance crews to unblock drains, and advice to residents on actions they can take to reduce flood risks.

“Support for this initiative is in addition to the \$85.6 million that has been allocated from the Flood Resilience Fund to manage flood risk. These projects are great examples of making changes that build future resilience,” says Mr Mitchell.



Coversheet

Briefing: Drawdown from the Local Government Flood Resilience Co-Investment Fund

Date:	16/04/2024	Report No:	DPMC-2023/24-1071
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	[Medium]

	Action sought	Deadline
Hon Nicola Willis Minister of Finance	agree to draw down \$10.537 million of the Local Government Flood Resilience Co-Investment fund.	By 26 April 2024
Hon Simeon Brown Minister of Local Government		
Hon Mark Mitchell Minister for Emergency Management and Recovery		

Name	Position	Telephone	1 st Contact
Katrina Casey	Chief Executive Cyclone Recovery	s9(2)(a)	✓
Anna Wilson-Farrell	Executive Director, Strategic Policy and Legislation		

Departments/agencies consulted on Briefing
Treasury and the Department of Internal Affairs were consulted, and the National Emergency Management Agency was consulted on relevant aspects.

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: No

Briefing

Drawdown from the Local Government Flood Resilience Co-Investment Fund

To: Hon Nicola Willis
Minister of Finance

Hon Simeon Brown
Minister of Local Government

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	16/04/2024	Security Level	IN-CONFIDENCE UNCLASSIFIED
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Purpose

1. This briefing seeks decisions on funding to be drawn down from the Local Government Flood Resilience Co-investment Fund.

Recommendations

We recommend you:

1. **note** that on 26 February 2024, Cabinet agreed to delegate to the Minister of Finance, the Minister for Emergency Management and Recovery, and the Minister of Local Government the responsibility to draw down \$10.537 million of the Local Government Flood Resilience Co-investment Fund tagged contingency for three specified initiatives;
2. **agree** to draw down funding for the \$10.537 million for the initiatives Cabinet has agreed;

YES / NO

YES / NO

3. **approve** the following change to appropriations to provide for the decisions in recommendation 2 with a corresponding impact on the operating balance and net debt: **YES / NO**

	\$m – increase/(decrease)					
Vote Prime Minister and Cabinet Minister for Emergency Management and Recovery	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Non-Departmental Other Expense: Flood Resilience Projects (MYA)		2.000	-	-	-	-
Non-Departmental Other Expense: North Island Severe Weather Events (MYA)		7.500				-
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support (MCA)						
Non-Departmental Other Expense: Emergency Risk Reduction, Readiness, Response and Recovery	1.037	-	-	-	-	-
Total operating:		10.537				-

4. **note** that the indicative spending profiles for the multi-year appropriations described in recommendation 3 are:


	\$m – increase/(decrease)					
Indicative annual spending profile	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Non-Departmental Other Expense: Flood Resilience Projects (MYA)	-	2.000	-	-	-	-
North Island Severe Weather Events (MYA)	-	7.500	-	-	-	-
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support MCA						
Non-Departmental Other Expense: Emergency Risk Reduction, Readiness, Response and Recovery	1.037	-	-	-	-	-
Total operating:	1.037	9.500	-	-	-	-

5. **agree** that the proposed change to appropriations for 2023/24 be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply; **YES / NO**

6. **agree** that the expenses incurred under recommendation 3 be charged against the Local Government Flood Resilience Co-investment Fund tagged operating contingency; **YES / NO**
7. **note** that, following the adjustments detailed in recommendation 3 (as well as previous adjustments agreed in DPMC-2023/24-287, 396, 478, and 510), the remaining balance and indicative phasing of the Local Government Flood Resilience Co-investment Fund operating contingency will be:


	\$m – increase/(decrease)					2028/29 & Outyears
	2023/24	2024/25	2025/26	2026/27	2027/28	
Local Government Flood Resilience Co-investment Fund – Tagged Operating Contingency	3.898	-	-	-	-	-

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

16/04/2024



Hon Nicola Willis
Minister of Finance

...../...../.....



Hon Simeon Brown
Minister of Local Government

...../...../.....



Hon Mark Mitchell
Minister for Emergency Management and Recovery

...23../...04../2024

Background

2. A \$100 million Local Government Flood Resilience Co-Investment Fund was approved for local authorities in areas impacted by the North Island Weather Events (NIWE) to seek Crown Co-investment to support the proactive management of climate-exacerbated flood risk. The funding is intended to support initiatives that are ready to get underway and deliver improved flood protection in the near term (i.e., completed no later than June 2025).
3. On 26 February 2024, Cabinet agreed to delegate to the Minister of Finance, the Minister for Emergency Management and Recovery, and the Minister of Local Government the responsibility to draw down \$10.537 million of the Local Government Flood Resilience Co-investment Fund tagged contingency for the following initiatives [100-24-MIN-0008 refers]:
 - Up to \$7.5 million to fund the Crown's 50% share of the costs for category 3 buyouts in other NIWE-affected regions (where a cost-sharing agreement will not be negotiated),
 - Up to \$2 million to speed up small-scale, community-led projects (such as waterway clearing ahead of winter), and
 - \$1.037 million to support a Northland Multi-Agency Coordination Centre.
4. On 16 March 2024, the Minister for Emergency Management and Recovery agreed that the \$2 million would be used to fund communities in Auckland to get storm ready for winter 2024 and improve future resilience through a process administered by Auckland Council [DPMC-2023/24-931 refers].

You are jointly responsible for drawing down the \$10.537 million

5. The Local Government Flood Resilience Co-Investment Fund tagged operating contingency expires on 30 June 2024. If decisions are not taken by joint ministers on the draw down prior to budget moratorium, any spending will be unappropriated (even if authorised under imprest supply ahead of validation). Therefore, decisions must be taken before budget moratorium period begins on 29 April 2024.
6. Decisions on these initiatives were put to Cabinet as they were outside of the previously agreed purpose of the fund. Funding for the initiatives in paragraph 3 was allocated to be responsive to local recovery needs. This funding was determined by Cabinet to be appropriate in the broader context of Government priorities, affordability considerations, and the considerable funding also being sought for transport, water services, and other infrastructure needs. The Local Government Flood Resilience Co-Investment Fund is the most appropriate and only available funding source to achieve the outcomes that Cabinet has agreed.
7. Officials understand that decisions on the balance of the fund will be made through Budget 2024 processes.

Financial implications

8. Funding of \$10.537 million will be drawn down from the Local Government Flood Resilience Co-Investment Fund as follows:
- Funding for the Crown's 50% share of the costs for FOSAL category 3 buyouts in other NIWE-affected regions (\$7.5 million) will be drawn down into the multi-year appropriation *North Island Severe Weather Events* in Vote Prime Minister and Cabinet administered through the Department of the Prime Minister and Cabinet by the Chief Executive, Cyclone Recovery;
 - Funding for communities in Auckland to get storm ready for winter 2024 and improve future resilience through a process administered by the Auckland Council (\$2 million) will be drawn down into the multi-year appropriation *Flood Resilience Projects* in Vote Prime Minister and Cabinet administered through the Department of the Prime Minister and Cabinet by the Chief Executive, Cyclone Recovery; and
 - Funding for the Northland Multi-Agency Coordination Centre (\$1.037 million) will be drawn down into the multi-category appropriation Emergency Management Leadership and Support in Vote Prime Minister and Cabinet administered through the National Emergency Management Agency.

Next steps

9. Funding agreements for the Crown's share of the costs for FOSAL category 3 and for the small-scale community projects in Auckland will be administered by the Chief Executive Cyclone Recovery through the Cyclone Recovery Unit (CRU) [EWR-23-MIN-0074 refers]. The CRU is working with Crown Infrastructure Partners to administer these funds and will monitor and provide assurance on the delivery requirements and expenditure of the funding.
10. The National Emergency Management Agency (NEMA) is working with the Northland Recovery Agency on the delivery of the Northland Multi-Agency Coordination Centre. NEMA will ensure the funds are used as agreed.



Briefing

Ministerial Approval of Regional Transport Projects under the 2023 North Island Weather Events Hawke's Bay Crown Funding Agreement

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	10/09/2024	Report Number:	DPMC-2024/25-233
		Priority level:	Medium

Purpose

1. This briefing seeks your agreement to fund seven regional transport projects for Hastings District Council, totalling **s9(2)(j)**, under the 2023 North Island Weather Events (NIWE) Crown Funding Agreement (CFA).

Recommendations

2. We recommend you:
 1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Event (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, flood mitigation and local transport projects;
 2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
 3. **note** that Crown Infrastructure Partners (CIP) and Cyclone Recovery Unit officials have reviewed seven PDPs submitted by the Hastings District Council and confirm that they meet the criteria for Crown funding;
 4. **agree** to approve the Hastings District Council request for **s9(2)(j)** in grant funding to support the Glengarry Road Slips project; YES / NO
 5. **agree** to approve the Hastings District Council request for **s9(2)(j)** in grant funding to support the Kahika Road Culvert project; YES / NO

6. **agree** to approve the Hastings District Council request for s9(2)(j) in grant funding to support the Kahuranaki Road Slip project; YES / NO
7. **agree** to approve the Hastings District Council request for s9(2)(j) in grant funding to support the Kereru Road Slips project; YES / NO
8. **agree** to approve the Hastings District Council request for s9(2)(j) in grant funding to support the McVicars Culvert Rebuild; YES / NO
9. **agree** to approve the Hastings District Council request for s9(2)(j) in grant funding to support the Waimarama Road Slip project; YES / NO
10. **agree** to approve the Hastings District Council request for s9(2)(j) in grant funding to support the Waihau Road Slips project; YES / NO
11. **note** that in accordance with the CIP Project Funding Agreements with the regional and local authorities, any funding paid to a council by CIP that is subsequently not spent will be returned to CIP; and
12. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise CIP to release funds to Hastings District Council to deliver the approved projects in accordance with agreed conditions and milestones.
13. **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

10 September 2024

Mobile phone: s9(2)(a)

Hon Nicola Willis
 Minister of Finance

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Hon Mark Mitchell
 Minister for Emergency Management
 and Recovery

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Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost-sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements by region

Region	Category 3 Voluntary buyout \$ million	Category 2 Risk Mitigation Projects \$ million	Regional Transport Projects \$ million	Total \$ million
Auckland	447.347	319.653	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	532.347	587.153	487.593	1,608.793

- The Crown has commissioned Crown Infrastructure Partners (CIP) to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process will be followed for the geotechnical projects covered by that agreement.

Approvals process for Category 2 and Local Transport Projects

9. Category 2 flood risk mitigation projects and local transport projects are listed in the CFA, including the type of project and indicative costs. The agreements require councils to provide concise business cases – Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. It is expected that councils' own internal planning processes will generate the information required for these PDPs.
10. Ministers have already approved the list of projects that are to be covered in the agreement and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding for Category 2 and local transport projects once the PDPs are complete and the detailed costs and outcomes are confirmed. There would also be an opportunity to publicly signal when PDPs have been approved for all of the 58 flood mitigation and local transport projects from the NIWE Crown Funding Agreements.
11. You have previously approved 32 PDPs, totalling \$470.675 million. This includes Category 2 Risk Mitigation funding of \$132.155 million and Regional Transport Project funding of \$338.520 million. A summary of Category 2 and Regional Transport Project funding already approved for release is described in **Table 2**.

Table 2: Category 2 and Regional Transport Projects funding approved for release by region

Region/ District	Category 2 Risk Mitigation Projects agreed in CFA \$ million	Category 2 Risk Mitigation Projects approved for funding release \$ million	Regional Transport Projects agreed in CFA \$ million	Regional Transport Projects approved for funding release \$ million
Auckland	319.653	70.810	110.000	110.000
Hawke's Bay	203.500	26.303	252.593	199.020
Tairāwhiti	64.000	35.042	125.000	29.500
Total	587.153	132.155	487.593	338.520

12. After these current projects are considered there will remain 19 projects covered by the NIWE Crown Funding Agreements that require PDPs to be submitted for Ministerial approval. We expect these to be submitted during October and early December as outlined in **Table 3**. Any projects that do not have PDPs completed by early December 2024 will be included in a final PDP approval brief in February or March 2025.

Table 3: Schedule of upcoming Project Delivery Plans for Ministerial Approval

Council	Project type	Number of projects	Estimated due date for briefings to Ministers
Gisborne District Council	Te Ārai river - options analysis	1	October
Hawke's Bay Regional Council	Stop bank enhancements, pump stations repairs and upgrades	2	
Central Hawke's Bay District Council	Relocation of a water treatment plant	1	
Hawke's Bay Regional Council	Community flood risk mitigation projects	5	First week of December
Hastings District Council	Local transport projects to repair a bridge and road renewals	2	
Gisborne District Council	Local transport projects	2	
Auckland Council	Community flood risk mitigation projects	6	
Total number of projects		19	

Summary of Project Delivery Plans for approval

13. CIP has completed an assurance review to confirm that project criteria have been met to the required standards for seven Regional Transport Projects for Hastings District Council. The seven projects and associated Crown funding is shown in **Table 4**.

Table 4: Regional Transport Project funding requests

Project	Crown Funding (\$ million)
s9(2)(j)	

14. Under the Hawke's Bay CFA, funding pre-allocated for Regional Transport Projects is intended to contribute 100% of the estimated cost of each project.
15. An A3 table summarising the benefits and assurance process for the seven projects is included as **Attachment A**. The results of CIP's assurance reviews are included in Recommendation Reports in **Attachments B, C, D, E, F, G and H**.

Glengarry Road Slips

16. Glengarry Road suffered significant damage as a result of Cyclone Gabrielle along a 14.5km stretch. It is a secondary collector road and has been identified as a high priority for repair by Hastings District Council. The proposal to reinstate the road back to pre-cyclone operational levels of service with two lanes, balances cost, risk and site-specific factors.

Kahika Road Culvert

17. Following Cyclone Gabrielle, the embankment was eroded down to a level below the existing culverts and a temporary culvert has been installed to keep the road open to traffic. A permanent solution is needed to reinstate the road and stream bed. The proposed work is to reinstate the stream bed and re-use the existing culvert which still has 40 years of remaining design life.

Kahuranaki Road Slip

18. Kahuranaki Road suffered significant slips following Cyclone Gabrielle and has reduced traffic to one lane. It is a secondary collector road and has been identified as a high priority for repair by Hastings District Council. The proposal to reinstate the road back to pre-cyclone operational levels of service, with two lanes, using an anchored steel soldier pile wall, balances cost, risk and site-specific factors.

Kereru Road Slips

19. Three significant slips occurred across a seven kilometre stretch following Cyclone Gabrielle reducing traffic to one lane in some locations. It is a secondary collector road and the only means of access for neighbouring residents, so has been identified as a high priority for repair by Hastings District Council. The proposal to reinstate the road back to pre-cyclone operational levels of service with two lanes, balances cost, risk and site-specific factors.

McVicars Culvert Rebuild

20. The road and culverts were damaged during Cyclone Gabrielle and access was blocked to 12 properties. McVicars culvert is classified as a lifeline bridge. The preferred solution, to construct a spillway, improves resilience as it allows improved recovery following a future severe weather event.

Waimarama Road Slip

21. As a result of Cyclone Gabrielle, a significant slip occurred on Waimarama Road which is a primary collector road and has been identified as a high priority for repair by the Council. The proposed remedial work will reinstate the damaged road shoulder and repair the culvert structure.

Waihou Road Slips

22. Waihou Road provides an important alternative route from Dartmoor to Puketitri and suffered 11 significant slips from heavy rain during Cyclone Gabrielle. The proposals include a range of repairs tailored for each slip including retreat and erosion protection to mitigate against future events.

CRU and CIP recommend funding all seven Regional Transport Projects

Consultation

23. The Treasury has reviewed this briefing and supports the recommendations.
24. CIP and CRU officials have reviewed the PDPs for each of the seven regional transport projects and confirm that they meet the criteria for Crown funding set out in the CFAs. We recommend that joint Ministers approve the release of Crown funding to support these projects.

Next steps

25. If Ministers agree with the recommendation to approve these 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 Hastings District Council to deliver the approved projects, in accordance with agreed milestones.
26. There are no plans for a media release, as funding allocations for these projects were previously announced in August 2023, as part of the Crown \$1.6 billion of FOSAL funding support for councils. There will be opportunities for announcements on successful completion of these projects from early 2025 onwards.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefits and assurance process for Hawke's Bay Regional Transport Projects	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Glengarry Road Slips	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Kahika Road Culvert	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Kahuranaki Road Slip	IN-CONFIDENCE UNCLASSIFIED
Attachment E:	Kereru Road Slips	IN-CONFIDENCE UNCLASSIFIED
Attachment F:	McVicars Culvert Rebuild	IN-CONFIDENCE UNCLASSIFIED
Attachment G:	Waimarama Road Slip	IN-CONFIDENCE UNCLASSIFIED
Attachment H:	Waihau Road Slips	IN-CONFIDENCE UNCLASSIFIED

Attachments B, C, D, E, F, G, and H are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance process for Hastings District Council Regional Transport Projects

PDP proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Glengarry Road Slips	Glengarry Road suffered significant damage as a result of Cyclone Gabrielle along a 14.5 km stretch. It is a secondary collector road and has been identified as a high priority for repair by Hastings District Council.	The proposal to reinstate the road back to pre-cyclone operational levels of service with two lanes, balances cost, risk, and site-specific factors.	The proposed solution incorporates land drainage and culvert improvements with built-in climate change allowance, safety barriers and pavement design.	Road will return to two lanes and will not require continued traffic management. Increased safety for the community.	The project will be monitored against the project schedule milestones and deliverables, over the 18-month delivery timeframe, by Crown Infrastructure Partners (CIP) and the Cyclone Recovery Unit (CRU).	Low. Low complexity of the work and project risks are well understood. Sufficient cost contingency has been built in.
Kahika Road Culvert	Following Cyclone Gabrielle, the embankment was eroded down to a level below the existing culverts and a temporary culvert has been installed to keep the road open to traffic. A permanent solution is needed to reinstate the road and stream bed.	The proposed solution is to reinstate the stream bed and re-use the existing culvert. Construction cost, size, compliance with the Bridge Manual and design life were evaluated in the optioneering process.	The option to reuse the existing culvert which still has 40 years of remaining design life was the lowest cost option.	The stream bed will be filled to return to pre-cyclone levels so the existing culvert can continue to carry stream flow. The Kahika No. 1 culvert will withstand a 1 in 50-year event.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until the completion expected in December 2024.	Medium. The project is classified as simple and contingency is considered appropriate for the type of project.
Kahuranaki Road Slip	Kahuranaki Road suffered significant slips following Cyclone Gabrielle and has reduced traffic to one lane. It is a secondary collector road and has been identified as a high priority for repair by the Council.	The proposal to reinstate the road back to pre-cyclone operational levels of service with two lanes, balances cost, risk, and site-specific factors.	The proposed solution, using an anchored steel soldier pile wall, incorporates land drainage improvements with built-in climate change allowance and pavement design.	Road will return to two lanes and will not require continued traffic management. Increased safety for the community.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion expected in April 2025.	Medium. Contingency is considered appropriate for the type of project. Hastings District Council intends to manage any cost overruns within its overall budget.
Kereru Road Slips	Three significant slips occurred across a seven kilometre stretch following Cyclone Gabrielle reducing traffic to one lane in some locations. It is a secondary collector road and has been identified as a high priority for repair by the Council.	The proposal to reinstate the road back to pre-cyclone operational levels of service with two lanes, balances cost, risk, and site-specific factors.	The proposed solution ensures carriageway is continued for residents for whom the road serves as their only access.	The work will reinstate damaged road shoulders, fully restore both lanes and return each site to an acceptable level of stability.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion expected in May 2025.	Medium. The work is low complexity, across multiple sites, and project risks are well understood. Contingency is considered appropriate for the type of project.
McVickers Culvert Rebuild	The road and culverts were damaged during Cyclone Gabrielle and access was blocked to 12 properties. It is classified as a lifeline bridge.	The preferred solution, to construct a concrete spillway, improves resilience as it allows improved recovery following a future severe weather event.	The proposed solution will allow for a secondary flow path for the stream if the primary flow is blocked.	A concrete spillway with scour protection both upstream and downstream. Pavement reconstruction and sealing on both approaches as well as a replacement access track to the river.	The project will be monitored against the project schedule milestones and deliverables, by CIP until completion expected in July 2026.	Medium. Contingency is considered appropriate for the type of project. Hastings District Council intends to manage any cost overruns within its overall budget.
Waimarama Road Slip	As a result of Cyclone Gabrielle, a significant slip occurred on Waimarama Road which is a primary collector road and has been identified as a high priority for repair by the Council.	The proposed remedial work will reinstate the damaged road shoulder and repair the culvert structure.	The proposed solution, which incorporates land drainage improvements with built-in climate change allowance and pavement design, will minimise residual risk.	Two-way traffic will be fully restored, and the site returned to an acceptable level of stability.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion expected in April 2025.	Low. Low complexity of the work and sufficient cost contingency has been built in.
Waihou Road Slips	Waihou Road provides an important alternative route from Dartmoor to Puketitri and suffered 11 significant slips from heavy rain during Cyclone Gabrielle.	The proposals include a range of repairs tailored for each slip including retreat and erosion protection to mitigate against future events.	The proposed solutions incorporate land drainage improvements with built-in climate change allowance and pavement design.	The programme of slip repairs will reinstate the road back to pre-cyclone operational level with two lanes. Reinstates an alternative route, restoring resilience for local community.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion expected in July 2025.	Medium. Contingency is considered appropriate for the type of project. Hastings District Council intends to manage any cost overruns within its overall budget.

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;
5. **agree** to approve the Nelson City Council request to release \$0.300 million in grant funding to fund monitoring of the Tāhunanui Slump;
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;

YES / NO

YES / NO

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
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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

Attachments A and B are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).



Briefing

Ministerial approval to release funding to relocate the Waipawa Water Treatment Plant

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	8/11/2024	Report Number:	DPMC-2024/25-483
		Priority level:	Medium

Purpose

1. This briefing seeks your agreement to fund s9(2)(i) for a risk mitigation project to relocate the Waipawa water treatment plant, under the 2023 North Island Weather Events (NIWE) Hawke's Bay Crown Funding Agreement (CFA).

Recommendations

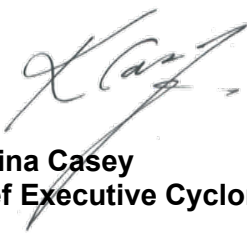
We recommend you:

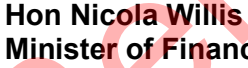
1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, flood mitigation and local transport projects;
2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
3. **note** that Crown Infrastructure Partners (CIP) and Cyclone Recovery Unit officials have reviewed the PDP submitted by the Central Hawke's Bay District Council (CHBDC), and confirm that it meets the criteria for Crown funding;
4. **agree** to approve the CHBDC request to release s9(2)(i) in grant funding to relocate the Waipawa water treatment plant;
5. **note** that in accordance with the CIP Project Funding Agreements with the regional and local authorities, any funding paid to a council by CIP that is subsequently not spent will be returned to CIP;


YES / NO

6. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise CIP to release funds to the CHBDC to deliver the approved project in accordance with agreed conditions and milestones; and
7. **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
8 November 2024
Mobile phone: s9(2)(a)


Hon Nicola Willis Minister of Finance
...../...../.....


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

Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland	447.347	319.653	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	532.347	587.153	487.593	1,608.793

- The Crown has commissioned Crown Infrastructure Partners (CIP) to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

Approvals process for Category 2 and Local Transport Projects

8. Category 2 flood risk mitigation projects and local transport projects are listed in the CFA, including the type of project and indicative costs. The agreements require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have already approved the list of projects that are to be covered in the agreement and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding for Category 2 and local transport projects once the PDPs are complete and the detailed costs and outcomes are confirmed.
9. You have previously approved 39 PDPs, totalling \$503.967 million. This includes Category 2 Risk Mitigation funding of \$132.155 million and Regional Transport Project funding of \$371.812 million. A summary of Category 2 and Regional Transport Project funding already approved for release is provided in **Table 2**.

Table 2: Category 2 and Regional Transport Projects funding approved for release by region

Region	Category 2 Risk Mitigation Projects agreed in CFA (\$m)	Category 2 Risk Mitigation Projects approved (\$m)	Regional Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	319.653	70.810	110.000	110.000
Hawke's Bay	203.500	26.303	252.593	232.312
Tairāwhiti	64.000	35.042	125.000	29.500
Total	587.153	132.155	487.593	371.812

10. After this current project is considered 18 projects will remain that require PDPs to be submitted for Ministerial approval. The estimated submission dates for the remaining projects are outlined in **Table 3**.

Table 3: Schedule of upcoming Project Delivery Plans for Ministerial Approval

Council	Project type	No. of projects	Estimated due date for briefings to Ministers
Hawke's Bay Regional Council	Community flood risk mitigation projects	4	Late November or first week of December if later they will be held over to early 2025 to approve the PDP
Hastings District Council	Local transport projects to repair a bridge and road renewals	2	
Gisborne District Council	Te Ārai river - options analysis and two local transport projects	3	
Auckland Council	Community flood risk mitigation projects for Clover Drive and Wairau	2	
Auckland Council	Community flood risk mitigation projects	4	February 2025 ²
Hawke's Bay Regional Council	North Clyde Wairoa Flood Protection and two flood risk mitigation projects	3	March 2025
Total number of projects		18	

² These 4 projects are likely to be deferred due to an increase in Category 3 numbers in Auckland, which will require Crown funding to be transferred from Risk Mitigation Projects to Category 3 Voluntary Buyouts. The CRU is working with Auckland Council to confirm options within the current funding envelope for Ministerial decision.

Project Delivery Plan to Relocate the Waipawa Water Treatment Plant

11. CIP has completed an assurance review to confirm that project criteria have been met to the required standards for the risk mitigation project for the Central Hawke's Bay District Council (CHBDC) to relocate the Waipawa Water Treatment Plant. The results of CIP's assurance review are included in the Recommendation Report in **Attachment A**.

We recommend you approve funding of s9(2)(j) for the CHBDC to relocate the Waipawa water treatment plant

12. Under the Hawke's Bay CFA, Crown funding pre-allocated for flood mitigation projects is intended to contribute 75.15% of the estimated cost of each project and the Council funds the balance, which is s9(2)(j) for this project.
13. The Waipawa Water Treatment Plant provides drinking water to Waipawa and Ōtāne. Its low-lying location has been flooded on several occasions, most recently during Cyclone Gabrielle, which has caused significant damage to the ultraviolet units, generator and electrical equipment. This project is for the design and construction of a new Tiko Road water treatment plant in a more elevated location which is at very low risk of flooding.
14. **Table 4** sets out the summary of the benefits and assurance process for the project to relocate the Waipawa water treatment plant.

Table 4: Relocate Waipawa Water Treatment Plant – summary information

Summary of the benefits and assurance process for Risk Mitigation Project – Relocate Waipawa Water Treatment Plant	
Why should this project be approved?	The Waipawa water treatment plant provides safe drinking water to approximately 3,500 people in the townships of Waipawa and Ōtāne and is the backup water supply for Waipukurau. It was destroyed in Cyclone Gabrielle when the stop bank protecting it failed. Waipawa and Ōtāne were without running water for eight weeks until the treatment plant was rebuilt. The plant remains at risk of future flooding events.
Why is this the right solution?	The preferred option is to build a new membrane filtration water treatment plant outside of the flood zone and upgrade the bore field to protect the water source. This solution is the most resilient against future flood risk and will meet the appropriate Drinking Water Standards and seismic standards.
Benefits	The new plant will have lower maintenance and operational requirements and will be easy to connect into existing network infrastructure.
Outcomes	The new plant will protect the water supply for Waipawa and Ōtāne.
How will we now the benefits have been delivered?	The project will be monitored against the project schedule milestones and deliverables by CIP until completion, expected in November 2025.
What is the risk of cost escalation?	Medium. As the project is clearly defined and costed, minimal scope changes are expected. The project includes a 20% contingency.

15. CIP and CRU officials have reviewed this PDP and confirm that it meets the criteria for Crown funding set out in the CFA. We recommend that joint Ministers approve the release of Crown funding to support this project.

Consultation

16. The Treasury has reviewed this briefing and supports the recommendation to approve the PDP.

Next steps

17. If Ministers approve this project, the Chief Executive Cyclone Recovery will write to CIP to confirm that the project meets the criteria for Crown funding. CIP will then release funds to the CHBDC, to deliver the approved project, in accordance with agreed milestones.
18. There are no plans for a media release, as funding allocations were previously announced in August 2023, as part of the Crown \$1.6 billion of FOSAL funding support for councils. There will be opportunities for announcements on successful completion of this project from late 2025 onwards.

Attachments:	Title	Security classification
Attachment A:	Recommendation Report to Relocate the Waipawa Water Treatment Plant	IN CONFIDENCE UNCLASSIFIED

Attachment A is withheld in full under section 9(2)(b)(ii) and section 9(2)(j).



Briefing

Whenua Māori and Marae Pathway – Formal written offers to Tairāwhiti Marae: Hinemaurea ki Mangatuna, Ōkuri, Puketāwai, Rangatira, Takipū, and update on forecast expenditure across the pathway

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Hon Tama Potaka
Minister for Māori Development
Minister for Māori Crown Relations: Te Arawhiti

Date

25/11/2024

Priority level:

High

Purpose

1. This briefing completes the proposed Crown contributions for the seven Marae within the Whenua Māori and Marae Pathway (the pathway), by seeking your approval for:
 - a. formal final written offers to be made to the Trustees of the Māori Reservations for the following five Category 3 Tairāwhiti Marae:
 - Hinemaurea ki Mangatuna Marae
 - Ōkuri Marae
 - Puketāwai Marae
 - Rangatira Marae
 - Takipū Marae.
 - b. common costs associated with supporting the full Marae relocation programme of work.
2. It also provides an update on forecast expenditure across the pathway.

Executive Summary

3. As part of the Recovery from NIWE, Government agreed that the Crown would implement a Pathway for Whenua Māori and Marae where local authorities had categorised affected whenua Māori as Category 3. Cabinet agreed the policy parameters for this Pathway with allocated funding; and Ministers subsequently agreed maximum levels of funding for each

of the seven affected Marae (two in Hawke's Bay and five in Tairāwhiti). Approval for final written offers for the two category 3 Hawke's Bay Marae, Petane and Tangoio, have been sought separately.

4. In Tairāwhiti, five Marae are located on land designated as Category 3 by the Gisborne District Council (GDC); Hinemaurea ki Mangatuna Marae (Hinemaurea), Ōkuri Marae (Ōkuri), Puketāwai Marae (Puketāwai), Rangatira Marae (Rangatira), and Takipū Marae (Takipū). Discussions have progressed with the Trustees of each of these Marae, to the point where Ministerial approval is now required for final formal written offers to be made.
5. The following proposed offers are expected to cover all aspects of the relocation and rebuild as the core support package:

s9(2)(j)



6. All five Tairāwhiti Marae have progressed acquisition of the new sites they intend to relocate to. The costs associated with land acquisition, the impact of the nature of the land on the relocation/rebuild cost for each of the Marae, and costs associated with civil and site works including legal compliance, are clearer than when initial estimates were made.

7. s9(2)(d)

s9(2)(d)

8. The original contract with CIP to administer funding, monitor and report on delivery across the entire Recovery Programme did not make an allowance for administering and monitoring the Marae relocation projects as the extent of this work was unknown at the time. Allowing for 2.5-3 years (maximum) to complete the relocation work programme, a cost of \$1,250,000 is recommended to be added to the cost of the Crown's contract with CIP.
9. The Marae relocation offers do not include funding to support Marae Trustees' administration costs and it is proposed each of the seven sets of Marae Trustees be provided with s9(2)(j) for this purpose, at a total cost of s9(2)(j)
10. A Crown representative will be added to the governance mechanisms for each of the seven Marae relocation projects. Participation by the Crown representative will cost \$300,000, for the life of the projects (up to 3 years).
11. Progress is being made on the offers to the owners of 25 category 3 residential whenua Māori properties. Decisions have been made on five properties and will shortly be made on a further seven. Eight properties are included in the Tangoio paper for approval as part of a papakāinga proposal. That leaves five and offers are expected to be made in the next few weeks. Categorisation of two additional blocks is being disputed with Gisborne District Council (GDC). s9(2)(j)
12. There may also be a small number of further residential property categorisations; GDC has indicated it is still considering whether some 2P properties should be category 3. As there is a possibility that further properties may be categorised, or costs may exceed estimates for individual properties, officials also recommend retaining a \$5 million contingency for residential packages.
13. Cabinet agreed an initial appropriation of \$75m and subsequently a tagged contingency of up to s9(2)(d) for the Whenua Māori and Marae Pathway. This is for the relocation of seven Marae, residential whenua Māori property owners, and relocation or protection of a small number of culturally significant items such as urupā. If the proposals in the Tangoio paper and this paper are added to the decisions made for Petane and anticipated costs of residential whenua Māori, it is estimated the total call on expenditure will be s9(2)(d)

Recommendations

14. We recommend you:

1. **agree** to formal final written offers for the five Tairāwhiti Marae that include Crown contributions of:
 - s9(2)(j) for the relocation/rebuild of Hinemaurea ki Mangatuna Marae
 - s9(2)(j) for the relocation/rebuild of Ōkuri Marae
 - s9(2)(j) for the relocation/rebuild of Puketāwai Marae
 - s9(2)(j) for the relocation/rebuild of Rangatira Marae
 - s9(2)(j) for the relocation/rebuild of Takipū Marae;
2. **agree** that should Marae Trustees receive Oranga Marae funding to support the rebuild of the Marae that the Crown funding will reduce

YES / NO

YES / NO

YES / NO

YES / NO

YES / NO


YES / NO

by the amount of the funding received and this condition will be included in the Relationship and Funding Agreement;

3. **agree** that in line with the decision made for Petane Marae, and the proposal for Tangoio Marae, any insurance proceeds received by Tairāwhiti Marae will be additional to the Crown funding; YES / NO
4. **agree** that funding of s9(2)(j) will be made available to each of the seven sets of Marae Trustees for localised protection of their existing Marae sites as cultural assets (total s9(2)(j)); YES / NO
5. s9(2)(d) YES / NO
6. **agree** up to \$1,250,000 be allocated for administrative costs for Crown Infrastructure Partners, to administer Marae Delivery Plans for all seven Marae under the Pathway and up to \$300,000 for a crown representative on governance arrangements for all seven Marae for up to three years; YES / NO
7. **agree** up to s9(2)(j) be allocated for administrative costs for each set of Marae Trustees, for all seven Marae under the Pathway (at a total cost of s9(2)(j)); YES / NO
8. **note** that progress is being made to conclude 27 residential packages at an estimated cost of s9(2)(j) and a contingency of s9(2)(j) is being allowed for possible additional categorisations by GDC or costs which exceed estimates.
9. **note** that if approvals are given for recommendations in this paper and the Tangoio paper, added to previous decisions on Petane, the total cost of the Whenua Māori Pathway will come to s9(2)(d)
10. **note** the Cyclone Recovery Unit has engaged Buddle Findlay to prepare a Relationship and Funding Agreement between the Crown, Marae Trustees, and Crown Infrastructure Partners for each Marae;
11. **note** Crown Infrastructure Partners will work with the Marae Trustees to prepare Marae Project Delivery Plans which in turn will come to Minister of Finance and Minister for Emergency Management and Recovery for sign-off;
12. **note** a paper seeking drawdown on the s9(2)(d) tagged contingency to meet all commitments under the Whenua Māori and Marae Pathway will be presented to the Minister of Finance and Minister for Emergency Management and Recovery in February 2025; and

13. **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
25 November 2024
Telephone: s9(2)(a)

Hon Nicola Willis Minister of Finance /...../.....

Hon Mark Mitchell Minister for Emergency Management and Recovery /...../.....
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Hon Tama Potaka Minister for Māori Development Minister for Māori Crown Relations: Te Arawhiti /...../.....
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Background

15. On 30 August 2023, the Cabinet Extreme Weather Recovery Committee (EWR) agreed that officials seek Ministers prior approval for any packages over \$5 million in the Whenua Māori and Marae Pathway (the pathway) [EWR-23-MIN-0075 refers].
16. On 28 March 2024, we provided a briefing on relocation costings for the seven affected marae under the pathway. You agreed to maximum funding levels for each Marae support package based on a methodology developed by Crown Infrastructure Partners/Alta Consulting (CIP/Alta). CIP/Alta estimates were produced based on a desktop exercise, and limitations at the time included uncertainty about land costs, the nature of the land used for the rebuild (size, location and topography) and the potential implications of this for other costs (such as earthworks, infrastructure, and building costs) [DPMC-2023/24-896 refers].
17. On 24 April 2024 we provided a second briefing that focused on the application of policy and funding settings for relocation support packages for Whenua Māori residential land blocks, marae, and assets of cultural significance under the pathway [DPMC-2023/24-895 refers].
18. Ministers added one condition before any Crown funding could be released. The condition is that Marae trustees must have acquired suitable land for the relocation. This condition does not preclude a final written offer being made/approved or a Relationship and Funding Agreement being entered into. Ministers also asked that the estimates underpinning the maximum funding be reviewed by an organisation with experience in Marae development projects.
19. Since we have received decisions on these briefings, the Cyclone Recovery Unit (CRU) and Te Arawhiti have been engaging with affected Marae and owners of affected residences across Hawke's Bay and Tairāwhiti. CRU is leading the discussions with Tairāwhiti Marae, while Te Arawhiti has led discussions on Takitimu (Hawkes Bay) Marae.

Offers for all seven Marae within the pathway

20. s9(2)(j)

[REDACTED]

21. The proposals in this briefing paper cover the remaining five Marae, located in Tairāwhiti, plus some common funding that will apply to all seven Marae and not currently included in the Petane or Tangoio approvals.

Cost estimates for Tairāwhiti Marae

22. Each set of Tairāwhiti Marae Trustees have worked with their respective Marae community and whānau, as required by Te Ture Whenua Māori Act 1993 (the Act), to endorse its relocation and support its proposed plans. CRU and Marae Trustees have also worked with the Māori Land Court (MLC) to ensure that applications necessary to support the proposed relocations are progressed. The MLC has prioritised this work, with good progress being made. All Marae Trustees are at different stages of working through necessary MLC activity.

¹ This paper also includes a proposal for a papakāinga, to accommodate 8 residential whenua blocks which are represented in discussions by Maungaharuru-Tangitū Trust.

Land acquisition achieved for Tairāwhiti Marae

23. In accordance with the direction from Ministers, Tairāwhiti Marae have prioritised land acquisition. All five Tairāwhiti Marae are now either in possession of the land they will relocate to or are in the process of finalising acquisition.

- Rangatira Marae purchased a site on 8 May 2024 and has completed all necessary MLC activity to support its relocation to the new site, completed geotechnical assessment for its new location, and is now working with the Gisborne District Council (GDC) on obtaining the necessary consents.
- Ōkuri Marae has identified a suitable safe, elevated, site within the large whenua Māori block on which it currently sits. Planning is well-advanced, and they have already obtained resource and building consent from GDC to undertake the relocation and redevelopment on the elevated site.
- Puketāwai Marae and Hinemaurea ki Mangatuna Marae are both in active discussions with owners of nearby farmland to negotiate subdivision and private sales of identified portions of the farm blocks. Both Marae have worked with the MLC on the applications needed to support their relocations, although formal purchase of land will need to be finalised before the applications are decided by the Court. Both have also worked with GDC to understand the requirements for the new site, with geotechnical assessment for the new Puketāwai site already complete and valuations of the land completed on this basis.
- Takipū Marae has a choice of two sites it is working through with whānau and hapū members. Both sites are located on the same whenua Māori block, next to the current location of the marae, owned by affiliated landowners - many of whom are direct descendants associated with the Marae and Te-Aitanga-a-Mahaki. Marae Trustees are now navigating through the final logistics and costs of the two possible sites.

Updated estimates for Tairāwhiti Marae – cost of land and supply

24. **Attachment A** shows the approximate geographic location of the five Tairāwhiti Marae.

25. Suitable land in Tairāwhiti is scarce, and the topography is challenging. Large areas have been affected by NIWE, and much of the flat land surrounding affected Marae is flood prone. Where surrounding land is not flat, it tends to be steep with limited access (to both roading and other infrastructure), and prone to erosion. Property availability in the vicinity of affected Marae is limited. Where land purchase is required, the prices reflect this scarcity.²

26. Since identifying their new sites, each of the Marae have engaged Civil and Construction professionals and actively worked to understand, in more detail, the costs associated with their own relocation/rebuild, with the support of CRU. The estimated costs prepared by Marae are based on 'like-for-like' replacement, and assume a basic, fit-for-purpose, fully functional and legally compliant build.

27. The costs generated by CIP/Alta assumed a flat and accessible site. None of the Tairāwhiti Marae sites are so straightforward. All five Marae sites will require significant site and civil works to be safe and accessible. The remoteness of Tairāwhiti also has an unavoidable impact on cost of materials and professional services, with demand outstripping local supply.

28. In accordance with the request from Ministers, a desktop review of CIP/Alta estimates was completed by Xcel Builders Limited and Darin Grant Design Limited (Xcel/DGD). Xcel/DGD's review found some line items in CIP/Alta estimates were undercapitalised,

² s9(2)(g)(i)

and confirmed that land costs, legal compliance costs, significant civil works, and supply-related costs (material and professional services) for Marae in Tairāwhiti could be expected to be higher than CIP/Alta estimates.

Formal written offers to Tairāwhiti Marae

29. The proposed final offers for each of the Tairāwhiti Marae, set out in Table 1, are based on the updated estimated costs each of the Marae Trustees have worked through (supported by CRU), informed by detailed knowledge of the specific site they will relocate to, and the works required to support their movement. Some significant costs faced by Tairāwhiti Marae were not anticipated in the original CIP/Alta estimates; these have been considered and Marae Trustees have made best efforts to include these costs in the estimates provided, without compromising the rebuild/relocation.

30. CIP/Alta designated Ōkuri and Rangatira as “small” Marae, s9(2)(g)(i)

However, the relocations for both Marae are significant, and they face the same challenges as other Tairāwhiti Marae in relation to the nature of the land, and supply of materials and services. s9(2)(g)(i)

Table 1: Summary of offers for Marae and rationale

s9(2)(j)

s9(2)(j)

Additional funding sources for Marae relocation – Oranga Marae and insurance

31. Oranga Marae funding is approved by the Oranga Marae Committee, a Lottery Distribution Committee established under the Gambling Act 2003. At this stage, none of the Tairāwhiti Marae are expecting to receive Oranga Marae funding to support their relocations.
32. The proposed Crown offers therefore assume that no Oranga Marae funding to support relocation will be available to Tairāwhiti Marae. We have added in a recommendation that if funding for relocation does become available to the Marae Trustees through Oranga Marae, the Crown funding would reduce by the amount of the funding provided. The rationale is that the funding is for the same purpose s9(2)(g)(i) This is consistent with the approach agreed by Ministers in relation to Petane Marae.

Insurance proceeds

33. Any insurance received so far has been applied for remediation of flood damaged buildings and/or relocation. For the most part, any funds received are already spent. Insurance was received by Hinemaurea, Puketāwai, and Rangatira. Ōkuri was not insured. While Takipū is insured, payment is still being negotiated. Any payment received will be applied to offset the difference between initial estimates produced by the Marae for relocation (approximately \$12,000,000) and the agreed Crown contribution.

Table 2: Insurance proceeds and key areas of expenditure

s9(2)(j)

s9(2)(j)

34. The proposed Crown offers assume insurance received is additional to the Crown offer, as for Petane and Tangoio. Expenditure that has already occurred and been covered by insurance is not duplicated within the proposed Crown offers, has contributed to the relocation programme, and has created savings against possible Crown expenditure (for example, Hinemaurea expenditure on post-Cyclone repairs has reduced the possible cost of their relocation).
35. This approach is consistent with the approach taken in the General title pathway, where insurance proceeds spent in good faith were not deducted from buy-out amounts.

Crown contribution to protect remaining cultural assets

36. The Crown contribution package for Marae includes some funding for basic site remediation. However, this funding does not cover site protective works for ongoing recognition of the site as one of significance. Each of the existing Marae sites house taonga that cannot be removed and/or relocated.
37. The protection of cultural assets, such as urupā and the historic sites, is built into the scope of funding available under the Pathway, with up to s9(2)(j) available for localised flood protection measures. s9(2)(j)

Final offers to Tairāwhiti Marae

38. Your agreement is sought for formal final written offers to be made to each of the Tairāwhiti Marae. The formal final written offers would include the total proposed amount included in Table 1 as the core Crown package to support Marae relocation, and s9(2)(j) for localised protection of existing sites for each Marae.
39. The formal final written Crown offers would be on the basis that:
- the Crown funding will be reduced by the amount of any Oranga Marae payment for rebuilding the Marae (if Ministers agree with recommendation 2);
 - the Cyclone Recovery Unit, working with Buddle Findlay, is preparing an appropriate Relationship and Funding Agreement and agencies and Crown Infrastructure Partners will provide support for a Marae Project Delivery Plan with milestones in it for approval by Ministers;
 - insurance proceeds due to each Marae would be in addition to the Crown's financial contribution and put towards the relocation. The Crown's contribution is based on a basic, but fully functional and legally compliant standard. Insurance proceeds could be used for matters not covered by the Crown; and
 - habitable structures on the current site will be either relocated or demolished and there will be agreement that the land will not be used in future for residential purposes.
40. Drawdowns from the Crown contribution will be staged in accordance with an agreed Marae Project Delivery Plan, with funding to be administered by Crown Infrastructure Partners, with progress monitored and payments made in accordance with an agreed schedule reflecting the key milestones from the plan.

Programme level contingency and administrative costs

41. s9(2)(d)

42.

43. Officials also recommend:

- up to \$1,250,000 be allocated for administrative costs for CIP (for administering all seven Marae Project Delivery Plans) to enable them to secure the specialist resources required;
 - s9(2)(j) be allocated for administrative costs for each set of Marae Trustees (for all seven Marae within the Pathway – total administrative funding for Marae Trustees would amount to s9(2)(j); and
 - \$300,000 be allocated to support the role of the Crown representative in relocation project governance.
44. Marae relocations are significant projects. The relocation projects will require considerable commitment (time and resource) from Marae Trustees who will be responsible for day-to-day management of the projects, continuing to connect with whānau on progress made, and will need to actively participate in joint-project governance (alongside the Crown and CIP) – monitoring progress, identifying, and mitigating risk, and maintaining a focus on successful delivery. The proposed funding of s9(2)(j) to each set of Marae Trustees will contribute to the costs Marae Trustees will bear carrying out this role. A Crown representative will also be expected to actively participate in project governance. These administrative costs were not included in the elements covered by Marae support packages, as estimated by CIP/Alta.
45. The current tagged contingency has sufficient funding to allow for the proposed contingency and funding of administrative costs.

Financial position

46. s9(2)(d)

47. Should the proposals in this paper, and the separate briefing paper relating to Maungaharuru-Tangitū Trust, be agreed it will conclude the support packages for the seven Marae covered by the Pathway.

48. Progress is being made on offers to the owners of 25 category 3 residential whenua Māori properties. Decisions have been made on five properties and will shortly be made on a further seven. Eight properties are included in the separate Tangoio briefing paper for approval as part of a papakāinga proposal. That leaves five and offers are expected to be made in the next few weeks. There are two additional blocks currently within the pathway,

where categorisation is being disputed with Gisborne District Council (GDC). Together, we expect that the support packages for these 27 properties could amount to \$34,143,739.⁴

49. There may also be a small number of further residential property categorisations; GDC has indicated it is still considering whether some 2P properties should be category 3. As there is a possibility that further properties may be categorised, or costs may exceed estimates for individual properties, officials also recommend retaining a \$5,000,000 contingency for residential packages.

Table 3: Project spend against available budget


s9(2)(d), s9(2)(j)

(Table content is redacted)

⁴ s9(2)(j)

⁵ Demolition costs are still being worked through with owners. This forecast variance is a result of estimates on the high-side, reflecting a level of uncertainty. Forecasts are expected to reduce as demolition conversations progress.

s9(2)(d), s9(2)(j)



50. A paper seeking drawdown against the s9(2)(d) tagged contingency to meet all commitments under the Whenua Māori and Marae Pathway will be presented to the Minister of Finance and Minister for Emergency Management and Recovery in February 2025. As part of the Budget 2025 process, the remaining funding in the tagged contingency will be declared.

Next steps

51. The recommendations in this paper, if agreed, will enable final written Crown offers for Hinemaurea, Ōkuri, Puketāwai, Rangatira, and Takipū Marae. This will be a significant milestone for cyclone recovery in Tairāwhiti and for the iwi, hapū and Māori who were impacted.

52. Following decisions, the next steps include:

- a. Presentation of a formal final written offer (as captured in a terms sheet) to court-appointed Trustees for each Marae;
- b. Trustees undertake their own processes to internally consult on the formal written offer, including any consultation with their community as required, and seek any clarification of terms with the Crown;
- c. the Cyclone Recovery Unit, working with Buddle Findlay, is preparing legal Relationship and Funding Agreements to support the arrangements;
- d. A Marae Project Delivery Plan setting out stages and milestones will be developed by the Marae Trustees with the support of the Crown and Crown Infrastructure

Partners. The Plan will include funding drawdowns associated with milestones and will be provided to Ministers for sign off. CIP will provide support with implementation as needed, monitoring and reporting, and will be responsible for providing funding against the agreed milestones.

53. We will keep you updated as to progress with each marae rebuild as the process advances.

Attachments:	Title	Security classification
Attachment A:	Approximate geographic location of Category 3 Marae	Unclassified

Attachment A: Approximate geographic location of Category 3 Marae



Tairāwhiti Marae takiwā

1. Two of the affected Tairāwhiti Marae (Rangatira and Takipū) are located near the Waipaoa River, which runs through the small settlement of Te Karaka (just south of Gisborne). During Cyclone Gabrielle, the Waipaoa River broke its banks, with river levels peaking at 12.8 metres. Floodwaters surrounding the river reached approximately 3 metres above ground level, inundating both Marae and causing significant damage.
2. Three of the affected Tairāwhiti Marae (Hinemaurea ki Mangatuna, Ōkuri, and Puketāwai) are located on the Mangatuna flats (just north of Tolaga Bay), through which the Hikuwai River runs (close to where it becomes Uawa). During ex-Cyclone Hale, the Hikuwai River depth was recorded at a peak of approximately 13.5 metres (a rise of over 9.6 metres), and later at an unprecedented 14.8 metres during Cyclone Gabrielle. Hikuwai No 1 bridge washed away as a result of floodwaters carrying slash, cutting off State Highway 35 access to the east coast northward. The same floodwaters inundated the Mangatuna Valley, including the surrounding Marae – two of which are located at the edge of the river itself.



Briefing

Ministerial approval of projects under the North Island Weather Events (2023) Tairāwhiti Crown Funding Agreement

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date

2/12/2024

Priority level:

Medium

Purpose

1. This briefing seeks your approval to fund \$99.078 million for five projects, and approve a change in scope for one project, for which funding is allocated under the North Island Weather Events (2023) Tairāwhiti Crown Funding Agreement.

Recommendations

We recommend you:

1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events 2023 (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, flood mitigation and local transport projects;
2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
3. **note** that National Infrastructure Funding and Financing (NIFF) and Cyclone Recovery Unit officials have reviewed the PDPs submitted by the Gisborne District Council (GDC), and confirm that they meet the criteria for Crown funding;
4. **agree** to approve the GDC request for s9(2)(j) in grant funding to repair slips and dropouts in 393 locations across the Tairāwhiti regional roading network;
5. **agree** to approve the GDC request for s9(2)(j) in grant funding for community roading improvements at 26 sites in the Tairāwhiti region;

YES / NO

YES / NO

- | | | |
|-----|--|----------|
| 6. | agree to approve the GDC request for s9(2)(j) in grant funding to complete stage two of the Tiniroto Road project; | YES / NO |
| 7. | agree to approve the GDC request for s9(2)(j) in grant funding for the Black Bridges project to replace seven bridges; | YES / NO |
| 8. | agree to approve the GDC request to change the scope of the Red and Orange bridges project to include resilience work to strengthen 25 additional bridges; | YES / NO |
| 9. | agree to approve the GDC request for s9(2)(j) in grant funding for flood resilience improvements in the Te Arai catchment; | YES / NO |
| 10. | note that in accordance with the CIP Project Funding Agreements with the regional and local authorities, any funding paid to a council by CIP that is subsequently not spent will be returned to CIP; | |
| 11. | note that if you approve funding the Chief Executive Cyclone Recovery will advise CIP to release funds to the GDC to deliver the approved projects in accordance with agreed conditions and milestones; and | |
| 12. | 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 |

~~IN-CONFIDENCE~~ UNCLASSIFIED

Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland	447.350	319.650	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	534.05	587.150	487.593	1,608.793

- The Crown has commissioned National Infrastructure Funding and Financing (NIFF) (previously Crown Infrastructure Partners) to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

Approvals process for Category 2 and Local Transport Projects

8. Category 2 flood risk mitigation projects and local transport projects are listed in the CFAs, including the type of project and indicative costs. The agreements require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have already approved the list of projects that are to be covered in the agreement and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding for Category 2 and local transport projects once the PDPs are complete and the detailed costs and outcomes are confirmed.
9. You have previously approved funding for 40 PDPs, totalling \$507.424 million. This includes Category 2 Risk Mitigation funding of \$135.612 million and Regional Transport Project funding of \$371.812 million. A summary of Category 2 and Regional Transport Project funding already approved for release is provided in **Table 2**.

Table 2: Category 2 and Regional Transport Projects funding approved for release by region

Region	Category 2 Risk Mitigation Projects agreed in CFA (\$m)	Category 2 Risk Mitigation Projects approved (\$m)	Regional Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	319.650	70.810	110.000	110.000
Hawke's Bay	203.500	29.760	252.593	232.312
Tairāwhiti	64.000	35.042	125.000	29.500
Total	587.150	135.612	487.593	371.812

10. After these current projects are considered 17 projects will remain that require PDPs to be submitted for Ministerial funding approval. The estimated submission dates for the remaining projects are outlined in **Table 3**.

Table 3: Schedule of upcoming Project Delivery Plans for Ministerial Approval

Council	Project type	No. of PDPs	Estimated due date for briefings to Ministers
Hawke's Bay Regional Council	Community flood risk mitigation projects, including stage one of Wairoa Flood Protection project	4	Early December. If later, briefings will be held over to early 2025 for Ministerial approvals.
Hastings District Council	Local transport projects to repair a bridge and road renewals	2	
Gisborne District Council	Stage 2 of Gisborne City and East Coast Flood Resilience	2	February 2025
Auckland Council	Community flood risk mitigation projects	6	March 2025 ²
Hawke's Bay Regional Council	Two flood risk mitigation projects and Stage 2 of Wairoa Flood Protection	3	March 2025
Total number of projects		17	

² Four of these six projects are likely to be deferred due to an increase in Category 3 numbers in Auckland, which will require Crown funding to be transferred from Risk Mitigation Projects to Category 3 Voluntary Buyouts. The CRU is working with Auckland Council to confirm options within the current funding envelope for Ministerial decision.

Summary of Project Delivery Plans for approval

11. NIFF has completed an assurance review to confirm that project criteria have been met to the required standards for six projects for the Gisborne District Council (GDC). The six projects and associated Crown funding is shown in **Table 4**. An A3 table summarising the benefits and assurance process for the six projects is included as **Attachment A**. The results of NIFF's (as CIP prior to 1 December) assurance reviews are included in Recommendation Reports in **Attachments B to G**.

Table 4: Project funding requests

Project	Crown funding (\$ million)
Slips and Dropouts	s9(2)(j)
Community Roothing Improvements	
Tiniroto Road Stage 2	
Black Bridges	
Red and Orange Bridges and Resilience Works	
Te Arai Flood Resilience Improvements	
Total funding sought	

Regional Transport Projects

12. Under the terms of the NIWE Tairāwhiti CFA, the Crown funds 100% of regional transport projects. Some regional transport projects have NZTA funding committed and the GDC is requesting approval of Crown funding, allocated through the CFA, to top up funding to 100% of these projects. Funding approval is being sought for four regional transport projects, and approval to change the scope of one project is also being sought. If you approve these projects for funding, this will fully allocate the regional transport fund of s9(2)(j) for Tairāwhiti.

Slips and Dropouts

13. We recommend you approve funding of s9(2)(j) to repair slips and dropouts to pre-cyclone levels of service at 393 locations across the roading network in the Tairāwhiti region. This project is needed to restore the functionality and safety of local roads and provide long-term resilience against future events.
14. The total cost of this project is s9(2)(j) and the New Zealand Transport Agency (NZTA) is contributing s9(2)(j).

Community Roothing Improvements

15. We recommend you approve funding of s9(2)(j) for a community roading improvement programme to remediate 26 sites across Tairāwhiti. This will improve resilience and mitigate the risk of restricted evacuation options in the case of a future severe weather event.

³ No additional funding is required for this project. s9(2)(j) originally allocated to this project has been moved to meet the costs of the Slips and Dropouts project.

Tiniroto Road Stage 2

16. Stage one of the Tiniroto Road project involved site investigations, consultation, and development of a concept design. Investigations demonstrated that the preferred option to restore access is to deviate the road away from the Hangaroa Bluffs. We recommend you approve funding of s9(2)(j) to enable the GDC to refine the design and undertake construction to complete this project.

Black Bridges

17. On 3 March 2024, you approved s9(2)(j) for the first stage of the Black Bridges project, which involved investigations, optioneering, cost estimation and engagement to identify preferred options to rebuild up to seven bridges which were destroyed during the NIWE.
18. The NZTA is supporting the rebuild of five of the seven bridges and is contributing s9(2)(j) to the project, which has a total cost of s9(2)(j). We recommend you approve further funding of s9(2)(j) to enable the GDC to complete this project to restore transport links in rural areas.

Red and Orange Bridges and Resilience Works – request to amend scope of project

19. On 12 May 2024, you approved s9(2)(j) for the Red and Orange Bridges project to repair 28 bridges which suffered structural damage in the NIWE. The GDC is requesting a change in scope for this project to include strengthening work to a further 25 bridges identified as being at risk of significant damage or failure in the case of future severe weather events.
20. The NZTA has agreed to contribute funding of s9(2)(j) to this project which has an estimated total cost of s9(2)(j). The balance of Crown funding required is s9(2)(j) which is less than the s9(2)(j) previously approved, we recommend you agree a change in scope for this project.
21. The CFA allows for funding to be reallocated between local transport projects. There is s9(2)(j) that will no longer be required for Red and Orange Bridges. This has been reallocated to support the Slips and Dropouts project, which is costing significantly more than originally estimated in the CFA due to the large number of damaged sites identified in the roading network survey.

Flood Risk Mitigation Projects

22. Under the Tairāwhiti CFA, Crown funding pre-allocated for flood mitigation projects is intended to contribute 90% of the estimated cost of each project and the GDC funds the balance.

Te Arai Flood Resilience Improvements

23. This project focuses on identifying and implementing cost effective solutions to address the risk of flooding in the Te Arai catchment and reduce the likelihood of repeat damage from future weather events.
24. We recommend you approve funding of s9(2)(j) for the GDC to undertake flood resilience improvements in the Te Arai catchment.

Financial implications

25. There are no financial implications for the Crown as the funding has been pre-approved through the CFA. No additional funding is being sought.

CRU and CIP recommend funding all six projects

Consultation

26. The Treasury has reviewed this briefing and supports the recommendations.
27. NIFF (CIP) and CRU officials have reviewed these PDPs and confirm that they meet the criteria for Crown funding set out in the NIWE Tairāwhiti CFA. We recommend that joint Ministers approve the release of Crown funding to support these projects.

Next steps

28. If Ministers agree with the recommendation to approve these 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 the GDC, to deliver the approved projects, in accordance with agreed milestones.
29. There are no plans for a media release, as funding allocations for these projects were previously announced in August 2023, as part of the Crown \$1.6 billion of FOSAL funding support for councils. There will be opportunities for announcements on successful completion of these projects from 2026 onwards.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefit and assurance process for GDC projects	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Recommendation Report for Slips and Dropouts	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Recommendation Report for Community Roding Improvements	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Recommendation Report for Tiniroto Road Stage 2	IN-CONFIDENCE UNCLASSIFIED
Attachment E:	Recommendation Report for Black Bridges	IN-CONFIDENCE UNCLASSIFIED
Attachment F:	Recommendation Report for Red and Orange Bridges and Resilience Works	IN-CONFIDENCE UNCLASSIFIED
Attachment G:	Recommendation Report for Te Arai Flood Resilience Improvements	IN-CONFIDENCE UNCLASSIFIED

Attachments B, C, D, E, F, and G are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance process for Gisborne District Council (GDC) Projects

PDP proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Regional Transport Projects						
Slips and Dropouts	This project is needed to address significant damage at 393 locations within the Tairāwhiti region roading network affected by 2023 North Island Weather Events (NIWE). Slips and dropouts are significantly impacting levels of service across the region's roads.	The preferred solution to reinstate slips and dropouts, restore road width and stabilise sites, involves packaging the 393 sites into three separate tranches of work, with the most urgent sites (those impacting more than 50% of the carriageway) prioritised for remediation.	The proposed solutions will stabilise slips and dropouts, restore the functionality and safety of the roads, and provide long-term resilience against future events.	Solutions will address critical dropout sites across the region and restore the roading network to pre-cyclone levels of service.	The project will be monitored against the project schedule milestones and deliverables, over the three-year delivery timeframe, by Crown Infrastructure Partners (CIP) and the Cyclone Recovery Unit (CRU).	Medium. Costs have been estimated based on market response for similar packages of work. 85% of the sites are considered low complexity and these costs are well understood. 10% contingency is considered appropriate.
Community Roothing Improvements	This project to repair roads and remediate faults, including surface water and drainage issues, will protect the community in the case of future flooding events.	26 sites for repair have been prioritised, from an initial list of 75 sites, through selection criteria including consultation with Iwi and community groups.	Remediation of 26 sites will improve resilience and mitigate the risk of restricted evacuation options in the case of a future severe weather event.	Routes critical to the Gisborne economy, including safe evacuation routes in case of an emergency, will be remediated to improve resilience.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion, which is expected in July 2026.	Low. Costs are based on market response for similar packages of work in the region and 30% contingency is built in for more complex projects in tranche 3.
Tiniroto Road Stage 2	During Cyclone Gabrielle Tiniroto Road was washed out at two locations. It is needed as a main collector road and an alternative route to the State Highway Two (SH2) East Coast Road linking Gisborne and Wairoa.	The proposed solution, considered the best of eight options, involves a bypass of the Tiniroto Bluffs to the north of approximately 2km. The bypass will cross the Hangaroa River twice with new single lane bridge structures.	This project will provide long term resilient access and an appropriate level of service to the region.	Tiniroto Road will be secured as a main collector road and an alternative route to the SH2 east coast road linking Gisborne and Wairoa.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion, which is expected in April 2028.	Medium. Cost contingency of 30% has been built in.
Black Bridges	Eight bridges suffered complete collapse during the NIWE. This project is needed to enable transport links in rural areas to be restored.	Significant technical analysis, optioneering, cost estimation, and stakeholder engagement has been undertaken to identify the preferred options for each site. The replacement bridges will be functional low-cost structures.	This project will replace the river crossings and reconnect communities.	Replacement of the damaged bridges will restore transport links to facilitate social and economic connectivity in rural parts of Tairāwhiti.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion, which is expected in February 2027.	Low. Minimal changes are expected to designs.
Red and Orange Bridges and Resilience Works	This project to repair 28 bridges which suffered structural damage during the NIWE was approved for funding in May 2024. The GDC is requesting a scope change to strengthen a further 25 at risk bridges.	The additional 25 bridges have sustained a level of damage that puts them at risk of failure in future severe weather events and require resilience work.	Strengthened transport corridors with improved safety and serviceability, able to withstand expected traffic speed and weight.	Bridges will be repaired to pre-cyclone levels of service, significantly reducing the risk of further costly damage or replacement of structures in future weather events.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion, which is expected in December 2026.	Medium. Cost estimates are considered to be robust. The work is not complex and has sufficient contingency-built in.
Category 2 Risk Mitigation Project						
Te Arai Flood Resilience Improvements	The Te Arai catchment faces an increased risk of flooding resulting from the backwater effects of sea level rise and the raising of stop banks on the Waipaoa river downstream. Flood resilience improvements are needed to protect 300 dwellings at risk of flooding in a future severe weather event.	The preferred option will be confirmed once the initial investigations to model flood mitigation options have been completed. Potential mitigation measures include stream clearing/widening, additional attenuation, and the identification, enhancement and protection of secondary flow path/s to minimise the areas prone to flooding.	The project aims to safeguard lives, protect property, community facilities, watermains and evacuation routes. A cost/benefit analysis will be undertaken on possible mitigation options.	A technically feasible and cost-effective solution to address the risk of flooding in the Te Arai catchment will be implemented.	The project will be monitored against the project schedule milestones and deliverables, by CIP and the CRU until completion, which is expected in March 2027.	Low. The cost of the work is well understood. Sufficient cost contingency of 30% has been built in.



DEPARTMENT OF THE
PRIME MINISTER AND CABINET
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

Briefing

Ministerial Approval of projects under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date

9/12/2024

Priority level:

Medium

Purpose

1. This briefing seeks your approval to release funding of \$19.672 million for three projects, for which funding is allocated under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement.

Recommendations

2. We recommend you:

1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events 2023 (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, risk mitigation and local transport projects;
2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
3. **note** that National Infrastructure Funding and Financing Limited (NIFFCo) (previously Crown Infrastructure Partners) and Cyclone Recovery Unit officials have reviewed the PDPs submitted by the Hastings District Council (HDC) and the Hawke's Bay Regional Council (HBRC) and confirm that they meet the criteria for Crown funding;
4. **agree** to approve the HDC request for s9(2)(i) in grant funding to undertake the Cyclone Damaged Roads Repairs project;
5. **agree** to approve the HBRC request for s9(2)(i) to enable early land access for the Wairoa Flood Mitigation project:

YES / NO

YES / NO

6. **agree** to approve the HBRC request for s9(2)(j) to enable early land purchase and site preparation for the first stage of the Whirinaki Flood Management Scheme;
7. **note** that in accordance with the NIFFCo Project Funding Agreements with the regional and local authorities, any funding paid to a council by NIFFCo that is subsequently not spent will be returned to NIFFCo;
8. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise NIFFCo to release funds to the HDC and the HBRC to deliver the approved projects in accordance with agreed conditions and milestones; and
9. **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

YES / NO



Katrina Casey
Chief Executive Cyclone Recovery

9/12/2024

Mobile phone: s9(2)(a)

Hon Nicola Willis
Minister of Finance

...../...../.....

Hon Mark Mitchell
Minister for Emergency Management
and Recovery

...../...../.....

Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland	447.350	319.650	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	534.05	587.150	487.593	1,608.793

- The Crown has commissioned National Infrastructure Funding and Financing Limited (NIFFCo) to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

Approvals process for Category 2 and Local Transport Projects

9. Category 2 flood risk mitigation projects and local transport projects are listed in the CFAs, including the type of project and indicative costs. The agreements require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have approved the list of projects that are covered in the agreements and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding for Category 2 and local transport projects when the PDPs are complete and the detailed costs and outcomes are confirmed.
10. You have previously approved funding for 40 PDPs, totalling \$507.421 million. This includes Category 2 Risk Mitigation funding of \$135.611 million and Regional Transport Project funding of \$371.810 million. A further five PDPs from the Gisborne District Council are waiting for funding approval of \$99.078 million. A summary of Category 2 and Regional Transport Project funding already approved for release is provided in **Table 2**.

Table 2: Category 2 and Regional Transport Projects funding approved for release by region

Region	Category 2 Risk Mitigation Projects agreed in CFA (\$m)	Category 2 Risk Mitigation Projects approved (\$m)	Regional Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	319.650	70.809	110.000	110.000
Hawke's Bay	203.500	29.760	252.593	232.310
Tairāwhiti	64.000	35.042	125.000	29.500
Total	587.150	135.611	487.593	371.810

11. After these current projects are considered 16 projects will remain that require PDPs to be submitted for Ministerial funding drawdown approval. The estimated submission dates for the remaining projects are outlined in **Table 3**.

Table 3: Schedule of upcoming Project Delivery Plans for Ministerial Approval

Council	Project type	No. of PDPs	Estimated due date for briefings to Ministers
Hawke's Bay Regional Council	Community flood risk mitigation projects	4	February 2025
Hastings District Council	Local transport projects to repair a bridge	1	
Gisborne District Council	Stage 2 of Gisborne City and East Coast Flood Resilience projects	2	
Auckland Council	Community flood risk mitigation projects	6	March 2025 ²
Hawke's Bay Regional Council	One flood risk mitigation project and Stage 2 of the Whirinaki and Wairoa Flood Protection projects	3	March 2025
Total number of projects		16	

² Four of these six projects are likely to be deferred due to an increase in Category 3 numbers in Auckland, which will require Crown funding to be transferred from Risk Mitigation Projects to Category 3 Voluntary Buyouts. The CRU is working with Auckland Council to confirm options within the current funding envelope for Ministerial decisions.

Summary of Project Delivery Plans for approval

12. NIFFCo has completed an assurance review to confirm that project criteria have been met to the required standards for one project for the Hastings District Council (HDC) and two projects for the Hawke's Bay Regional Council (HBRC). The three projects and associated Crown funding is shown in **Table 4**. An A3 table summarising the benefits and assurance process for the three projects is included as **Attachment A**. The results of NIFFCo's assurance reviews are included in Recommendation Reports in **Attachments B, C and D**.

Table 4: Project funding requests

Council	Project	Crown funding (\$ million)
Hasting's District Council	Cyclone Damaged Road Repairs	s9(2)(j)
Hawke's Bay Regional Council	Wairoa Flood Mitigation – Land Access	
Hawke's Bay Regional Council	Whirinaki Flood Management Scheme	
Total funding sought		19.672

Regional Transport Projects

13. Under the terms of the NIWE Hawke's Bay CFA, the Crown funds 100% of regional transport projects. If you approve the Cyclone Damaged Road Repairs project for funding, s9(2)(j) will be left in the Hawke's Bay regional transport allocation to fund one further project to repair Whanawhana bridge. A PDP is expected for the Whanawhana bridge project in early 2025.

Cyclone Damaged Road Repairs

14. Matapiro, Puketitiri and Kereru Roads need repairing in seven sites to restore access for forestry, horticulture and farming communities, schools and marae. These secondary collector roads sustained damage to pavements, drainage berms and culverts during Cyclone Gabrielle.
15. We recommend you approve funding of s9(2)(j) for this project.

Risk Mitigation Projects

16. Under the terms of the NIWE Hawke's Bay CFA, Crown funding pre-allocated for risk mitigation projects is intended to contribute 75.15% of the estimated cost of each project and the councils fund the balance. The exception is the Wairoa Flood Mitigation project, for which the Crown has agreed to fund 100% of this project.

Wairoa Flood Mitigation – Land Access

17. Two technically viable flood risk mitigation options have been identified for Wairoa to protect the community from future flood events. Consultation with the community is underway and the preferred option will be selected in February 2025. The HBRC is requesting to draw down s9(2)(j) (of the \$70.000 million allocated to the project), to enable early land purchase and/or access from property owners who are willing to enter into agreements, once the preferred option has been agreed. Early land access will help to avoid delays with the project.
18. We recommend you approve funding of s9(2)(j) for the first stage of this project.

Whirinaki Flood Management Scheme – Land Access

19. The Whirinaki Flood Management Scheme will enhance community resilience against foreseeable climate change and flood risks. The scheme will improve flood defences for the area with engineering solutions including new stop banks, road height adjustments, culvert upgrades and improvements to existing structures. The HBRC is requesting s9(2)(j) to enable early land purchase and site preparation. This will enable work to commence over the summer construction season. It will also provide certainty to homeowners whose land will be voluntarily acquired for this project, some of whom are under considerable hardship. The balance of funding will be sought through a second PDP early in 2025.
20. We recommend you approve funding of s9(2)(j) for the first stage of this project. The HBRC contribution to the project is s9(2)(j)

Financial implications

21. There are no financial implications for the Crown as the funding has been pre-approved through the CFA. No additional funding is being sought.

CRU and NIFFCo recommend funding all three projects

Consultation

22. The Treasury has reviewed this briefing and supports the recommendations.
23. NIFFCo and CRU officials have reviewed these PDPs and confirm that they meet the criteria for Crown funding set out in the NIWE Hawke's Bay CFA. We recommend that joint Ministers approve the release of Crown funding to support these projects.

Next steps

24. If Ministers agree with the recommendations to approve these projects, the Chief Executive Cyclone Recovery will write to NIFFCo to confirm that the projects meet the criteria for Crown funding. NIFFCo will then release funds to the HDC and the HBRC to deliver the approved projects, in accordance with agreed milestones.
25. There are no plans for a media release, as funding allocations for these projects were previously announced in August 2023, as part of the Crown \$1.6 billion of FOSAL funding support for councils. There will be opportunities for announcements on successful completion of these projects from 2026 onwards.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefit and assurance process for Hawke's Bay projects	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Recommendation Report for Cyclone Damaged Roads Repairs	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Recommendation Report for Wairoa Flood Mitigation – Land Access	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Recommendation Report for Whirinaki Flood Management Scheme – Land Access	IN-CONFIDENCE UNCLASSIFIED

Attachments B, C, and D are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance process for Hawke's Bay Projects

PDP proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Cyclone Damaged Road Repairs Hastings District Council (HDC)	Matapiro, Puketitiri and Kereru Roads near Hastings sustained damage to pavements, drainage berms and culverts during Cyclone Gabrielle. These secondary collector roads need repairing in seven sites to restore access for forestry, horticulture and farming communities, schools and marae.	Solutions to address damage across the sites at all three roads feature a combination of subsoil drainage improvements, reshaping of roadside berms and shoulders, pavement treatments and reinstatement of pre-existing drainage gulleys.	Safe access for the community and heavy vehicles will be restored. Temporary traffic management will no longer be needed.	The proposed works will restore the road corridors to their pre-cyclone condition.	The project will be monitored against the project schedule milestones and deliverables, by National Infrastructure Funding and Financing Limited (NIFFCo) and the Cyclone Recovery Unit (CRU) until completion, which is expected in May 2025.	Medium. The project is simple in design and costs are based on similar work undertaken by the Hastings District Council during 2024. A 30% contingency has been built into the project.
Wairoa Flood Mitigation – Land Access Hawke's Bay Regional Council (HBRC)	Gaining access to land is a significant process, and one of the key risks, associated with both preferred options for the Wairoa Flood Mitigation project to protect the community from future flooding events. Allowing funding to be able to be drawn down as soon as a final option is agreed will allow work to commence this construction season.	The HBRC is requesting s9(2)(j) to enable early land purchase and access once the preferred mitigation option is agreed. The balance of funding s9(2)(j) will be requested when prework for the preferred option is complete, expected in March 2025.	Early access to funding will enable the project to stay on track and prevent wider programme delays.	Early access to funding will enable the process for land access to get underway as soon as possible and allow property owners to have certainty.	NIFFCo will only release funding according to the conditions in the PDP, which include agreement of the sale and purchase and/or access agreement for each property, following selection of the preferred flood risk mitigation option. The wider project will be monitored against the project schedule milestones and deliverables until completion, which is expected in April 2027.	Low. Estimated costs are based on property valuations for each of the two options under consideration.
Whirinaki Flood Management Scheme - Land Access Hawke's Bay Regional Council (HBRC)	The Whirinaki Flood Management Scheme will improve flood defences for the area with engineering solutions including new stop banks, road height adjustments, culvert upgrades and improvements to existing structures. Funding is required to gain land access that is critical for the success of the project. Property owners are willing to sell now and want certainty to move on with their lives. Funding is also required to enable early site preparation.	The HBRC is requesting s9(2)(j) to enable early land purchase and site preparation. The balance of funding (estimated at up to 10 million) will be sought early next year when optioneering is complete.	Early access to funding will enable the work to commence and avoid delays with the wider project which will provide flood protection for 38 properties. Property owners, some of which are under considerable hardship, will be able to conclude sales of their properties.	The process for land access will get underway immediately, providing certainty to homeowners. Early preparatory works will be undertaken over the summer season so that construction can commence.	NIFFCo will only release funding according to the conditions in the PDP, which include agreement of the sale and purchase agreement for each property and following selection of the final flood risk mitigation design. The wider project will be monitored against the project schedule milestones and deliverables which is expected in December 2025.	Low. The costs of purchasing the properties are confirmed as negotiations are already underway. Site preparation works have been costed.

Briefing

Ministerial Approval to drawn down tagged operating contingency for the Whenua Māori and Marae Pathway Cost Pressures

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date

28/01/2025

Priority level:

High

Purpose

1. This briefing seeks your approval to draw down \$61.215 million from the Whenua Māori and Marae Pathway Cost Pressures tagged operating contingency.
2. This will allow the Government to meet all commitments under the Whenua Māori and Marae Pathway, by providing relocation support packages for whenua Māori residential land blocks, Marae, and assets of cultural significance severely affected by the North Island Weather Events of early 2023.
3. To reflect the financial changes as part of the 2025 March Baseline Update, joint Ministerial approval is required by Friday 14th February 2025.

Recommendations

4. We recommend you:

1. **note** that on the 29 April 2024, Cabinet [CAB-24-MIN-0148.62 Revised refers]:

- 1.1 agreed to establish an s9(2)(d) tagged operating contingency for the Whenua Māori and Marae Pathway to cover forecast cost pressures, subject to further work on the number of Marae categorised as Category 3 and the associated buy-out costs, as per below;

s9(2)(d)

1.2 authorised the Minister for Emergency Management and Recovery and the Minister of Finance jointly to draw down the tagged operating contingency funding (establishing any new appropriations as necessary), subject to their satisfaction with the outcome of the further work including good faith negotiations;

1.3 agreed that the expiry date for the tagged operating contingency be 1 February 2025;

2. **note** that on 4 November 2024 approval was received from the Minister of Finance (as part of the 2024 October Baseline Update) to extend the expiry date for the tagged operating contingency from 1 February 2025 to 1 February 2026, as the final costs had not been confirmed at that time;


3. **agree** that, as the further work described in recommendation 1.1 has been satisfactorily completed [DPMC-2024/25-531 refers], the required funding can be drawn down from the Whenua Māori and Marae Pathway Cost Pressures tagged operating contingency;

YES / NO

4. **approve** the following changes to appropriations to provide for the decision in recommendation 3 above, with a corresponding impact on the operating balance and net core Crown debt:

YES / NO

s9(2)(d)



5. **agree** that the proposed changes to appropriations for 2024/25 above be included in the 2024/25 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;


YES / NO

6. **agree** that the expenses incurred under recommendation 4 above be charged against the Whenua Māori and Marae Pathway Cost Pressures tagged operating contingency;

YES / NO

7. **note** that the s9(2)(d) remaining in the tagged operating contingency includes s9(2)(d) that has been identified for savings as part of the Budget 2025 process;
8. **note** that the full s9(2)(d) figure is now available for savings as part of the Budget 2025 process;
9. **note** that, should the conclusion of negotiations result in the Crown's contributions being less than anticipated, the unspent appropriated funding will be returned to the centre;
10. **agree** to proactively release this briefing, subject to any appropriate withholding information that would be justified under the Official Information Act 1982.

YES / NO

 Katrina Casey Chief Executive Cyclone Recovery
28/01/2025
Mobile phone: s9(2)(a)

Hon Nicola Willis Minister of Finance
...../...../.....

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

Background

1. In August 2023, the Extreme Weather Recovery Cabinet Committee (EWR) agreed an initial appropriation of \$75.000 million for the Whenua Māori and Marae Pathway [EWR-23-MIN-0075 refers]. The amount was recognised as an initial figure, subject to the outcome of local authorities identifying Category 3 Whenua Māori and Marae.
2. Subsequently, Cabinet approved a tagged operating contingency of up to s9(2)(d) [CAB-24-MIN-0148.62 Revised refers] to provide for cost pressures in the Whenua Māori and Marae Pathway. This resulted in a combined total of up to s9(2)(d) in funding to support the relocation of seven Marae, residential whenua Māori property owners and relocation or protection of a small number of culturally significant assets such as urupā.
3. Cabinet also authorised the Minister for Emergency Management and Recovery and the Minister of Finance jointly to draw down the tagged operating contingency funding, subject to their satisfaction with the outcome of the further work including good faith negotiations.
4. Our assessment is that the drawdown conditions have been met, as joint Ministers¹ approved the Crown's contribution under the Whenua Māori and Marae Pathway in December 2024 [DPMC-2024/25-531 refers]. Approval was not sought to drawdown the operating contingency at that time as Ministers still needed to agree and approve the Crown's contribution.
5. This paper now seeks your approval to draw down funding from the Whenua Māori and Marae Pathway Cost Pressures tagged operating contingency to meet all the commitments agreed under the Pathway.

Amount required from the tagged operating contingency

6. In December 2024, joint Ministers agreed the following Crown contributions for the seven Marae within the Whenua Māori and Marae Pathway and common costs associated with supporting the full Marae relocation programme of work [DPMC-2024/25-531 refers].

Table One: Crown contributions for Marae under the Whenua Māori and Mare Pathway
s9(2)(d)

¹ Ministers of/for Finance, Emergency Management and Recovery, Māori Development, and Māori Crown Relations: Te Arawhiti [DPMC-2024/25-531 refers]

s9(2)(d)

7. Now that Crown contributions have been agreed we are seeking your approval to drawdown s9(2)(d) from the Whenua Māori and Marae Pathway Cost Pressures tagged operating contingency.
8. Of the total estimated pathway costs, Ministers agreed to National Infrastructure Funding and Financing receiving \$1.250 million to administer funding, monitor and report on Marae Project Delivery Plans (please see Table One above). We recommend \$1.250 million be appropriated to the non-departmental output expenses North Island Severe Weather Events Administration Services multi-year appropriation to meet these administration costs.
9. We recommend that the residual amount of s9(2)(d) be appropriated to the non-departmental other expenses North Island Severe Weather Events multi-year appropriation in 2024/25, whilst we finalise the spend profile for the outyears. Payments for the Crown's contribution will be staged in accordance with agreed Marae Project Delivery Plans which are still to be developed by Marae Trustees with the support of National Infrastructure Funding and Financing. Funding will be rephased through future baseline updates or budget processes.
10. Funding will be returned to the Crown should the conclusion of implemented Agreements result in the Crown's contributions being less than anticipated.
11. We also recommend that the s9(2)(d) remaining in the tagged operating contingency be returned to the Crown as part of the Budget 2025 process. The s9(2)(d) remaining in the tagged operating contingency includes s9(2)(d) identified through the Budget 2025 savings initiatives process.

Consultation

12. The Treasury has reviewed this briefing and supports the recommendations.

Next steps

13. If agreed, the relevant changes to baselines associated with the drawdown of s9(2)(d) from the Whenua Māori and Marae Pathway Cost Pressures tagged operating contingency will be reflected in the 2025 March Baseline Update.



Briefing

Ministerial approval of risk mitigation projects under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	5/02/2025	Priority level:	Medium
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Purpose

1. This briefing seeks your approval to release funding of \$50.351 million for three projects, for which funding is allocated under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement.

Recommendations


2. We recommend you:

1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events 2023 (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, risk mitigation and local transport projects;
2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
3. **note** that National Infrastructure Funding and Financing Limited (NIFFCo) (previously Crown Infrastructure Partners) and Cyclone Recovery Unit (CRU) officials have reviewed the PDPs submitted by the Hawke's Bay Regional Council (HBRC) and confirm that they meet the criteria for Crown funding;
4. **agree** to approve the HBRC request for s9(2)(j) in grant funding to undertake the Pākōwhai Category 2 risk mitigation project;
5. **agree** to approve the HBRC request for s9(2)(j) in grant funding to undertake the Pōrangahau Category 2 risk mitigation project;

YES / NO

YES / NO

6. **agree** to approve the HBRC request for s9(2)(j) in grant funding to undertake flood management scheme reviews; **YES / NO**
7. **note** that in accordance with the NIFFCo Project Funding Agreements with the regional and local authorities, any funding paid to a council by NIFFCo that is subsequently not spent will be returned to NIFFCo;
8. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise NIFFCo to release funds to the HBRC to deliver the approved projects in accordance with agreed conditions and milestones; and
9. **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
5/02/2025
Mobile phone: s9(2)(a)

Hon Nicola Willis Minister of Finance
...../...../.....

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

Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements (CFAs) by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland	447.350	319.650	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	534.05	587.150	487.593	1,608.793

- The Crown has commissioned National Infrastructure Funding and Financing Limited (NIFFCo) (previously Crown Infrastructure Partners) to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations, and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

Approvals process for Category 2 and Local Transport Projects

9. Category 2 flood risk mitigation projects and local transport projects are listed in the CFAs, including the type of project and indicative costs. The CFAs require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have approved the list of projects that are covered in the CFAs and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding for Category 2 and local transport projects when the PDPs are complete, and the detailed costs and outcomes are confirmed.
10. You have previously approved funding release for 48 NIWE PDPs, totalling \$621.460 million. This includes Category 2 Risk Mitigation funding of \$141.733 million and Regional Transport Project funding of \$479.727 million. A summary of Category 2 and Regional Transport Project funding already approved for release is provided in **Table 2**.

Table 2: Category 2 and Regional Transport Projects funding approved for release by region

Region	Category 2 Risk Mitigation Projects agreed in CFA (\$m)	Category 2 Risk Mitigation Projects approved (\$m)	Regional Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	319.650	68.596	110.000	110.000
Hawke's Bay	203.500	37.015	252.593	244.727
Tairāwhiti	64.000	36.122	125.000	125.000
Total	587.150	141.733	487.593	479.727

11. If you approve these three projects for funding release, the amount of Category 2 risk mitigation funding left for the remaining projects in Hawke's Bay will be \$116.134 million. After these current projects are considered 13 projects will remain that require PDPs to be submitted for Ministerial approval for funding drawdown. The estimated submission dates for the remaining projects are outlined in **Table 3**.

Table 3: Schedule of upcoming Project Delivery Plans for Ministerial Approval

Council	Project type	No. of PDPs	Estimated due date for briefings to Ministers
Hastings District Council	Local transport project to repair a bridge	1	February 2025
Gisborne District Council	Stage 2 of Gisborne City and East Coast Flood Resilience projects	2	
Auckland Council	Community flood risk mitigation projects	6	March 2025
Hawke's Bay Regional Council	Two flood risk mitigation projects and Stage 2 of the Whirinaki and Wairoa Flood Protection projects	4	March/April 2025
Total number of projects		13	

12. The Auckland Council is likely to defer four of the six Auckland projects because it needs to find a significant increase in funding as a result of an increase in Category 3 numbers. The Council has been told that there will be no additional funding from the Crown and Ministerial approval will be sought to move Crown funding from Risk Mitigation Projects to Category 3 Voluntary Buyouts. The CRU is working with Auckland Council to confirm options within the current funding envelope and expects to seek Ministerial decisions for

reallocating funding in early March 2025. The transfer of Crown funding from category 2 to category 3 will mean there will be projects that the Crown will not be contributing funding to. Where that is the case, these projects will need to be fully funded by Auckland Council through its Long-Term Plan.

Summary of Project Delivery Plans for approval

13. NIFFCo has completed an assurance review to confirm that project criteria have been met to the required standards for three projects for the Hawke's Bay Regional Council (HBRC). The three projects and associated Crown funding is shown in **Table 4**. An A3 table summarising the benefits and assurance process for the projects is included as **Attachment A**. The results of NIFFCo's assurance reviews are included in Recommendation Reports in **Attachments B, C, D and E**.

Table 4: Project funding requests

Project	Crown funding (\$ million)
Pākōwhai	s9(2)(j)
Pōrangahau	
Flood Management Scheme Reviews	
Total funding sought	

Category 2 Risk Mitigation Projects

14. Under the Hawke's Bay CFA, Crown funding is intended to contribute up to a maximum of 75.15% and the Council funds the balance.

Pākōwhai

15. The Pākōwhai area was heavily impacted during Cyclone Gabrielle in February 2023. Construction of eight kilometres of stop-banks, as well as conveyance improvements and creation of a flood storage area is needed to protect 74 affected properties currently classified as Category 2C and the surrounding area.
16. We recommend you approve funding of s9(2)(j) for the HBRC to undertake this project. The HBRC is contributing s9(2)(j) to the project.

Pōrangahau

17. Following Cyclone Gabrielle, the Pōrangahau river experienced a 10-metre rise compared to average flows, breaching its banks to the north and south of the town. Flood waters reached up to one metre. A flood resilience scheme is needed to protect residents and properties from future events. The solution involves construction of stop banks, floodwalls as well as elevating or relocating some residences and the Marae².
18. We recommend you approve funding of s9(2)(j) for the HBRC to undertake this project. The HBRC is contributing s9(2)(j) to the project.

Flood Management Scheme Reviews

19. Cyclone Gabrielle exposed weaknesses in the Hawke's Bay Regional Council's flood management schemes. The Council has identified that a detailed desktop review is

² The work includes providing flood protection for the Marae in Pōrangahau. This is part of this Category 2 risk mitigation project and is not related to the separate Whenua Māori and Marae Pathway workstream.

required to fully assess the effectiveness of its flood management schemes in achieving intended objectives. The outcome of this review will inform a further risk mitigation project to undertake Rapid Repairs across the Hawke's Bay region, for which we are expecting to receive a PDP in March.

20. We recommend you approve funding of s9(2)(j) for the HBRC to undertake this project. The HBRC is contributing s9(2)(j) to the project (representing 43% of the total funding).

Financial implications

21. There are no financial implications associated with decisions in this paper. Funding for these projects has previously been appropriated for this purpose. If you agree the recommendations in this paper, payments will be able to be made from the appropriation.

CRU and NIFFCo recommend funding all three projects

Consultation

22. The Treasury has reviewed this briefing and supports the recommendations.
23. NIFFCo and CRU officials have reviewed these PDPs and confirm that they meet the criteria for Crown funding set out in the NIWE Hawke's Bay CFA. We recommend that joint Ministers approve the release of Crown funding to support these three projects.

Next steps

24. If Ministers agree with the recommendations to approve these projects, the Chief Executive Cyclone Recovery will write to NIFFCo to confirm that the projects meet the criteria for Crown funding. NIFFCo will then release funds to the councils, to deliver the approved projects, in accordance with agreed milestones.
25. There are no plans for a media release, as funding allocations for these projects were previously announced in August 2023, as part of the Crown \$1.6 billion of FOSAL funding support for councils. There will be opportunities for announcements on successful completion of these projects from January 2026 onwards.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefits and assurance process for Hawke's Bay Regional Council Risk Mitigation Projects	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Recommendation Report for Pākōwhai	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Recommendation Report for Pōrangahau	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Recommendation Report for Flood Management Scheme Reviews	IN-CONFIDENCE UNCLASSIFIED

Attachments B, C, and D are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance process for Hawke's Bay Regional Council Risk Mitigation Projects

Project Delivery Plan (PDP) proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Pākōwhai	The Pākōwhai area was heavily impacted during Cyclone Gabrielle in February 2023. Construction of 8km of stop banks is needed to protect 74 affected properties currently classified as Category 2C.	The solution involves construction of stop banks as well as conveyance improvements and creating an area for flood storage.	74 properties will benefit directly from flood mitigation delivered by the scheme. Road egress and access to properties will be protected by reducing potential flood damage to roads.	The proposed scheme will allow owners of 74 affected properties to have their properties move from being classified as Category 2C to being Category 1.	The project will be monitored against the project schedule milestones and deliverables by NIFFCo until completion, which is expected in March 2027.	Medium. A 30% contingency has been built in.
Pōrangahau	Following Cyclone Gabrielle, the Pōrangahau river experienced a 10-meter rise compared to average flows, breaching its natural banks to the north and south of the town. Flood waters reached up to one meter. A flood resilience scheme is needed to protect residents and properties from future events.	The solution involves construction of stop banks, floodwalls as well as elevating or relocating some residences and the Marae.	79 Category 2C properties will benefit from the project. Other properties without dwellings will also receive benefits.	The proposed scheme will allow owners of 79 affected properties to have their properties move from being classified as Category 2C to being Category 1.	The project will be monitored against the project schedule milestones and deliverables, by NIFFCo until completion, which is expected in January 2027.	Medium. A 19% contingency has been built in. Geotechnical investigation is required to confirm ground conditions which will determine the depth and design of stop banks and floodwalls.
Flood Management Scheme Reviews	Cyclone Gabrielle exposed a number of weaknesses in Hawke's Bay Regional Council's flood management schemes. The Council has identified that a detailed desktop review is required to fully assess the effectiveness of its flood management schemes in achieving intended objectives.	The Scheme Review will: <ul style="list-style-type: none"> Determine whether the Flood Management Schemes provide the agreed level of flood management for affected Hawke's Bay communities. Identify / confirm shortcomings. Identify a long-term plan for priority scheme upgrades. 	There are 202 Category 2C properties within the scheme areas which would benefit from any improvements implemented as a result of the scheme reviews.	Completion of this Scheme Review will provide the Council with a clear picture of the effectiveness of the schemes, inform the works on reinstating prior levels of service following initial rapid repairs, and make recommendations on additional investment needed through the Council's Long-Term Plan to maintain an appropriate level of service for flood control, drainage, and stream management schemes.	The project will be monitored against the project schedule milestones and deliverables, by NIFFCoS until completion, which is expected in January 2026.	Medium. Project costs are based on tenders received from external engineering consultants. The Hawke's Bay Regional Council has confirmed it will cover the cost of any project over-run.



DEPARTMENT OF THE
PRIME MINISTER AND CABINET
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

Briefing

Ministerial approval of three projects under the North Island Weather Events (2023) Crown Funding Agreements

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date

20/02/2025

Priority level:

Medium

Purpose


1. This briefing seeks your approval to release funding of \$35.733 million for three projects, for which funding is allocated under the North Island Weather Events (2023) Tairāwhiti and Hawke's Bay Crown Funding Agreements.

Recommendations

2. We recommend you:
 1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events 2023 (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, risk mitigation and local transport projects;
 2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
 3. **note** that National Infrastructure Funding and Financing Limited (NIFFCo) (previously Crown Infrastructure Partners) and Cyclone Recovery Unit (CRU) officials have reviewed the PDPs submitted by the Gisborne District Council (GDC) and the Hastings District Council (HDC) and confirm that they meet the criteria for Crown funding;
 4. **agree** to approve the GDC request for s9(2)(j) in grant funding to complete stage two of the Gisborne City Flood Resilience Improvements;

YES / NO

5. **agree** to approve the GDC request for s9(2)(j) in grant funding to complete stage two of the East Coast Flood Resilience Improvements; **YES / NO**
6. **agree** to approve the HDC request for s9(2)(j) in grant funding to replace Whanawhana Bridge; **YES / NO**
7. **note** that in accordance with the NIFFCo Project Funding Agreements with the regional and local authorities, any funding paid to a council by NIFFCo that is subsequently not spent will be returned to NIFFCo;
8. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise NIFFCo to release funds to the GDC and HDC to deliver the approved projects in accordance with agreed conditions and milestones; and
9. **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
20/02/2025
Mobile phone: s9(2)(a)

Hon Nicola Willis Minister of Finance
...../...../.....

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

Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements (CFAs) by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland	447.350	319.650	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	534.05	587.150	487.593	1,608.793

- The Crown has commissioned NIFFCo to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations, and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

Approvals process for Category 2 and Local Transport Projects

9. Category 2 Flood Risk Mitigation Projects and Local Transport Projects are listed in the CFAs, including the type of project and indicative costs. The CFAs require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have approved the list of projects that are covered in the CFAs and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding for Category 2 and local transport projects when the PDPs are complete, and the detailed costs and outcomes are confirmed.
10. You have previously approved funding release for 48 NIWE PDPs, totalling \$621.460 million. This comprises Category 2 Risk Mitigation funding of \$141.733 million and Regional Transport Project funding of \$479.727 million. On 5 February, we sent you a briefing seeking funding approval for three further Category 2 risk mitigation projects in Hawke's Bay, totalling \$50.351 million. A summary of Category 2 and Local Transport Project funding already approved for release is provided in **Table 2**.

Table 2: Category 2 and Local Transport Projects funding approved for release by region

Region	Category 2 Risk Mitigation Projects agreed in CFA (\$m)	Category 2 Risk Mitigation Projects approved (\$m)	Local Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	319.650	68.596	110.000	110.000
Hawke's Bay	203.500	37.015	252.593	244.727
Tairāwhiti	64.000	36.122	125.000	125.000
Total	587.150	141.733	487.593	479.727

11. If you approve the three PDPs submitted to you on 5 February and the three attached PDPs for funding release, this will fully allocate the Category 2 Risk Mitigation Project funding for Tairāwhiti, and the Local Transport Project funding will be fully allocated across all regions. After these current projects are considered ten projects will remain that require PDPs to be submitted for Ministerial approval for funding drawdown. The estimated submission dates for the remaining projects are outlined in **Table 3**.

Table 3: Schedule of upcoming Project Delivery Plans for Ministerial Approval

Council	Project type	No. of PDPs	Estimated due date for briefings to Ministers
Auckland Council	Community flood risk mitigation projects	6	March 2025
Hawke's Bay Regional Council	Two flood risk mitigation projects and Stage 2 of the Whirinaki and Wairoa Flood Protection projects	4	March/April 2025
Total number of projects		10	

12. As previously advised the Auckland Council is expected to defer four of the six Auckland projects because it needs to find a significant increase in funding as a result of an increase in Category 3 numbers [DPMC-2024/25-669 refers]. Ministerial approval will be sought to move Crown funding from Risk Mitigation Projects to Category 3 Voluntary Buyouts and the Council has been told that there will be no additional funding from the Crown. The CRU is working with Auckland Council to confirm options within the current funding envelope and expects to seek Ministerial decisions for reallocating funding in March 2025. The transfer of Crown funding from Category 2 to Category 3 will mean there will be projects that the

Crown will not contribute funding to. Where that is the case, these projects will need to be fully funded by the Auckland Council through its Long-Term Plan. The projects remain important to the Auckland Council, and we are talking to it about its anticipated timing for delivery.

Summary of Project Delivery Plans for approval

13. NIFFCo has completed an assurance review to confirm that project criteria have been met to the required standards for two projects for the Gisborne District Council (GDC) and one project for the Hastings District Council (HDC). The three projects and associated Crown funding are shown in **Table 4**. An A3 table summarising the benefits and assurance process for the projects is included as **Attachment A**. The results of NIFFCo's assurance reviews are included in Recommendation Reports in **Attachments B, C and D**.

Table 4: Project funding requests

Council	Project	Crown funding (\$ million)
Gisborne District Council	Gisborne City Flood Resilience Improvements Stage 2	s9(2)(j)
Gisborne District Council	East Coast Flood Resilience Improvements Stage 2	
Hastings District Council	Whanawhana Bridge Replacement	
	Total funding sought	

Category 2 Risk Mitigation Projects

14. Under the NIWE Tairāwhiti CFA, Crown funding is intended to contribute up to a maximum of 90% of the costs of the Category 2 Risk Mitigation projects and the Council funds the balance.

Gisborne City Flood Resilience Improvements – Stage 2

15. You have already approved funding of s9(2)(j) for stage one of the Gisborne City Flood Resilience Improvements project, which involves identifying the most cost-effective options for flood resilience improvements for three rivers to be progressed to detailed design, resource consent and construction.
16. The total cost of stage two of this project is s9(2)(j) and the GDC is contributing s9(2)(j). We recommend you approve funding of s9(2)(j) to enable the GDC to complete stage two of this project to protect 150 dwellings and residents from inundation, including 10 Category 2C dwellings where there is an intolerable risk to life in the case of a future severe weather event.

East Coast Flood Resilience Improvements – Stage 2

17. You have already approved funding of s9(2)(j) for stage one of the East Coast Flood Resilience Improvements project, which involves identifying the most cost-effective options to reduce flooding risk to impacted dwellings to be progressed to detailed design, resource consent and construction.
18. The total cost of stage two of this project is s9(2)(j) and the GDC is contributing s9(2)(j). We recommend you approve funding of s9(2)(j) to enable the GDC to complete stage two of this project to undertake flood resilience improvements to protect the community from intolerable risk to life in the case of a future severe weather event.

Local Transport Projects

19. Under the NIWE Hawke's Bay CFA, Crown funding is intended to contribute 100% of the costs of the Local Transport Projects.

Whanawhana Bridge

20. The HDC is seeking s9(2)(j) in Crown funding for its final Local Transport Project under the CFA, to replace Whanawhana Bridge, which will fully allocate the Local Transport Funding for Hawke's Bay.
21. Whanawhana Bridge was destroyed in Cyclone Gabrielle leaving the Whanawhana community disconnected. A temporary Bailey bridge is in place, however, a replacement bridge is needed to restore the vital road link for heavy vehicles, stock transportation, and local forestry and dairy industries. We recommend you approve funding of s9(2)(j) for this project.

Financial implications

22. There are no financial implications associated with decisions in this paper. Funding for these projects has previously been appropriated for this purpose. If you agree the recommendations in this paper, payments will be able to be made from the appropriation.

CRU and NIFFCo recommend funding these three projects

Consultation

23. The Treasury has reviewed this briefing and supports the recommendations.
24. NIFFCo and CRU officials have reviewed these PDPs and confirm that they meet the criteria for Crown funding set out in the NIWE Tairāwhiti and Hawke's Bay CFAs. We recommend that joint Ministers approve the release of Crown funding to support these three projects.

Next steps

25. If Ministers agree with the recommendations to approve these projects, the Chief Executive Cyclone Recovery will write to NIFFCo to confirm that the projects meet the criteria for Crown funding. NIFFCo will then release funds to the GDC and HDC, to deliver the approved projects, in accordance with agreed milestones.
26. There are no plans for a media release, as funding allocations for these projects were previously announced in August 2023, as part of the Crown \$1.6 billion of FOSAL funding support for councils. There will be opportunities for announcements on successful completion of these projects from June 2028 onwards.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefits and assurance process for Gisborne District Council Risk Mitigation Projects	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Recommendation Report for Gisborne City Flood Resilience Improvements Stage 2	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Recommendation Report for East Coast Flood Resilience Improvements Stage 2	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Recommendation Report for Whanawhana Bridge	IN-CONFIDENCE UNCLASSIFIED

Attachments B, C, and D are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance process

PDP proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Category 2 Risk Mitigation Projects						
Gisborne District Council: Gisborne City Flood Resilience Improvements Stage 2	To protect approximately 150 dwellings and inhabitants from flood inundation in the case of a future severe weather event, including 10 Category 2C properties where there is an intolerable risk to life.	The proposed scope for the project involves identifying the most cost-effective options to be progressed to resource consent, detailed design and construction, for flood resilience improvements for three rivers (Turanganui, Waimata, and Taruheru).	The risk of flooding will be mitigated for three rivers, protecting lives, properties and community facilities in the event of future severe weather events. Water, wastewater and stormwater systems will have improved resilience.	The design level of service will have a 1% Annual Exceedance Probability (AEP) (equivalent to a 1 in 100-year event) with an allowance for climate change and sea level rise.	The project will be monitored against the project schedule milestones and deliverables, by the National Infrastructure Funding and Financing Limited (NIFFCo) and the CRU until completion, which is expected in June 2028.	Medium. Project costs will need to be updated when stage one investigations are complete. An appropriate contingency (30%) has been built in.
Gisborne District Council: East Coast Flood Resilience Improvements Stage 2	The communities of Tolaga Bay, Makarika, Tikitiki and Tokomaru Bay were severely impacted by Cyclone Gabrielle and many dwellings have been classified as Category 2 or Category 3 with intolerable risk to life. Flood resilience is needed to protect the seven Category 2 properties and the community generally.	The programme of flood resilience improvements for the four communities is focused on identifying solutions to reduce flooding risk to the impacted dwellings. Investigations and high level optioneering is underway and the most cost-effective options will be progressed to resource consent, detailed design and construction.	The project will safeguard lives, protect property and community facilities and improve the resilience of water, wastewater and stormwater systems across all four catchments.	The project will provide flood mitigation to dwellings in four settlements along the East Coast and the Tolaga Bay township.	The project will be monitored against the project schedule milestones and deliverables, by NIFFCo and the CRU until completion, which is expected in July 2029.	Medium. High level estimates based on similar projects were used to inform estimates. Budgets will be reviewed regularly by GDC with forecasts undertaken quarterly. An appropriate contingency (30%) has been built in.
Local Transport Projects						
Hastings District Council: Whanawhana Bridge Replacement	Whanawhana Bridge was destroyed in Cyclone Gabrielle leaving the Whanawhana community disconnected. A temporary Bailey bridge is in place.	A new bridge along a similar alignment was selected as the preferred option. This aligns with the region's long-term resilience goals, addressing future risks from severe weather events and climate change. The new bridge will be designed to deliver a 1:100-year design life and enhance resilience in the area.	Benefits of the project include restoring the road link, enhancing transportation efficiency, and supporting local industries. The new bridge will provide a higher level of service and resilience than the previous structure, contributing to the region's economic stability and community well-being.	The project to rebuild the bridge will restore connectivity and address the community's immediate need for access.	The project will be monitored against the project schedule milestones and deliverables, by NIFFCo and the CRU until completion, which is expected in November 2029.	Medium. An 18% contingency has been built in, which is considered appropriate for the preliminary design stage of the project.

Briefing

Amendment to the North Island Weather Events (2023) Auckland Crown Funding Agreement and Project Delivery Plan approvals

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	13/03/2025	Report Number:	DPMC-2024/25-348
		Priority level:	High

Purpose


1. This briefing seeks your approval to an amendment to the North Island Weather Events 2023 (NIWE) Auckland Crown Funding Agreement (CFA), to reallocate \$176.743 million from Category 2 risk mitigation projects to Category 3, to enable the Auckland Council to complete its voluntary buyout programme.
2. This briefing also seeks your approval to release funding of \$85.625 million for two Auckland Category 2 flood risk mitigation projects, for which funding is allocated under the NIWE CFA.

Recommendations

3. We recommend you:
 1. **note** that on 6 October 2023 the Crown agreed to \$877.000 million in funding for the Auckland North Island Weather Events 2023 (NIWE) Crown Funding Agreement (CFA) to support Category 3 voluntary buyouts, risk mitigation and local transport projects;
 2. **note** that in July 2024, Cabinet agreed to reallocate \$60.350 million from Category 2 risk mitigation projects to meet the Crown's share of costs for up to 904 Category 3 voluntary buyouts in the NIWE Auckland CFA [ECO-24-MIN-0135];
 3. **note** that Cabinet authorised the Minister of Finance and the Minister for Emergency Management and Recovery to make any further decisions to move funding from Category 2 to Category 3 in Auckland [ECO-24-MIN-0135];
 4. **agree** to reallocate further funding of \$176.743 million from Category 2 risk mitigation projects, to meet the Crown's share of costs for Auckland Council's final estimate of 1,215 Category 3 voluntary buyouts;

YES / NO

5. **note** that this proposed change is cost-neutral to the Crown, but it will significantly reduce the amount of funding available (\$142.907 million will remain from the original allocation of \$380.000 million) for Category 2 risk mitigation projects;
6. **note** that the Auckland Council has confirmed that there are no Category 2C properties remaining in areas covered by projects that the Crown will not contribute funding to through the CFA.
7. **approve** the Auckland Council's request to release s9(2)(j) in grant funding to undertake the Clover Drive Category 2 flood risk mitigation project; YES / NO
8. **approve** the Auckland Council's request to release s9(2)(j) in grant funding to undertake Stage One of the Wairau Category 2 flood risk mitigation project; YES / NO
9. **agree** any unspent Crown funding from Category 3 voluntary buyouts can be reallocated back to Category 2 risk mitigation projects, to be used for advance purchase of privately owned properties in Wairau to support Stage Two of the Wairau project; YES / NO
10. **authorise** the National Infrastructure Funding and Financing Limited (NIFFCo) Chief Executive to transfer funding between approved Category 2 Risk Mitigation projects for Councils with NIWE CFAs, provided that all of the criteria specified in paragraph 36 are met; and YES / NO
11. **agree** to proactively release this briefing, 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
13 March 2025
Mobile phone: s9(2)(a)

Hon Nicola Willis Minister of Finance
...../...../.....

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

Executive Summary

4. Following the North Island Weather Events (NIWE) in 2023, the Auckland Council entered into a cost-sharing Crown Funding Agreement (CFA) to buy out Category 3 properties and provide community flood risk mitigation projects where there is an intolerable risk to life, and to restore key parts of the local roading network.
5. In 2023 the Council estimated there would be approximately 600 Category 3 properties across Auckland but has now confirmed its final forecast as 1,215 properties.
6. The CFA provides that where the number of Category 3 properties increase, the Crown will continue to match the buyout costs on a 50:50 cost-share basis with the Council.
7. In July 2024 Cabinet agreed to move \$60.350 million from Category 2 to Category 3 to support the then estimated 904 Category 3 voluntary buyouts in Auckland. Cabinet delegated authority to joint Ministers of Finance and Emergency Management and Recovery to approve any further reallocations of funding from Category 2 to Category 3.
8. After being told that new Crown funding will not be provided the Council has requested \$176.743 million of Crown funding be reallocated from the Category 2 risk mitigation projects in the CFA. This change is cost-neutral to the Crown.
9. Four category 2 risk mitigation projects have already been approved for funding of \$70.810 million and are underway. The Council has completed Project Delivery Plans for the two final risk mitigation projects that the remainder of the Crown funding of \$85.625 million will contribute to. These remaining Category 2 projects are Clover Drive and Wairau Stage One.
10. There will be four risk mitigation projects that the Crown will not contribute funding to, and which will be removed from the CFA. These projects remain a priority for Auckland Council, and it will plan how to fully fund them through its Annual and Long-Term Plans.

Background

11. The Chief Executive Cyclone Recovery, supported by the Cyclone Recovery Unit (CRU), holds the overall lead and coordination responsibility for ongoing Future of Severely Affected Locations (FOSAL) implementation across the 2023 North Island Weather Event (NIWE) affected regions. This includes overseeing the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost-sharing negotiations [EWR-23-MIN-0074 refers].
12. The NIWE Crown Funding Agreement (CFA) was negotiated with the Auckland Council and signed on 6 October 2023. Funding was approved in three categories to:
 - enable residential properties to be remediated or bought out where there is an intolerable risk to life (Category 3);
 - undertake risk mitigation projects to protect properties where there is an intolerable risk to life (Category 2); and
 - repair local transport infrastructure.
13. The CFA included the Auckland Council's identification of its priority risk mitigation and local transport projects and estimated the associated cost of each project. It also included the Council's forecast number of residential properties in each category and anticipated the cost of the Category 3 voluntary buyout scheme. The CFA anticipated that the number of Category 3 properties estimated could change as the detailed work was undertaken.
14. On 29 July 2024 Cabinet approved the reallocation of \$60.350 million Crown funding from Category 2C to Category 3 within the Auckland NIWE CFA. This change allowed for the re-categorisation of some Category 2C properties to Category 3 where community risk mitigation projects were expected to take longer than three years from the original events to complete, and to account for a larger number of properties assessed as Category 3 than

originally estimated. Cabinet also authorised the Minister of Finance and the Minister for Emergency Management and Recovery to make any further decisions to move funding from within Category 2C to Category 3 in Auckland, should the categorisation process significantly increase the number of properties for voluntary buyout [ECO-24-MIN-0135 refers].

Auckland Council is seeking a further CFA variation

15. The Chief Executive of Auckland Council wrote to the Chief Executive Cyclone Recovery on 29 January to request the Government provide net new funding to cover the Crown's share of the cost of the additional buyouts. The Chief Executive Cyclone Recovery advised the Chief Executive of Auckland Council in writing on 11 February that there would be no additional Crown funding but that a proposal would be put to joint Ministers to reallocate Crown funding from Category 2 to Category 3. After a meeting of the Council's Transport, Resilience and Infrastructure Committee, the Chief Executive of Auckland Council replied on 24 February accepting the position laid out and providing the information needed to support a proposal to joint Ministers.
16. As at 7 March 2025 the Council had categorised 1,076 properties as Category 3 and is forecasting the final number will be 1,215 Category 3 properties when categorisation is complete. This significant increase from the 904 Category 3 properties estimated in June 2024 has been driven by a much larger number of homeowners opting into the categorisation process than forecast. While this has resulted in much higher costs for the buyout programme, it will also allow over 300 additional households to relocate out of harm's way from the future risk of severe flooding and landslips.
17. To meet the Crown's share of the increase in Category 3 buyout costs, \$176.743 million of Crown funding is proposed to be moved from Category 2 to Category 3. This change is cost-neutral to the Crown.
18. The Council must find the same amount of funding, and it will move funding from its share of the risk mitigation projects. However, it will need to find additional funding due to the higher percentage contribution required for buyouts (50% for Category 3 buyouts versus 38% for Category 2 Risk Mitigation projects).
19. **Table 1** shows the proposed movement of Crown funding between categories.

Table 1: Revised Crown funding allocations for Auckland

Funding Category	Original Crown Share \$M (6 October 2023)	Current Crown share \$M (post Cabinet approval July 2024)	Proposed Crown share \$M (March 2025)	Total movement of funding from original CFA \$M
Category 3 voluntary buyouts	387.000	447.350 (+60.350)	624.093 (+176.743)	237.093
Category 2 risk mitigation projects	380.000	319.650 (-60.350)	142.907 (-176.743)	-237.093
Local transport projects	110.000	110.000 (NC)	110.000 (NC)	0
Total	877.000	877.000	877.000	0

Category 2 Risk Mitigation Project Delivery Plans for approval

20. This proposed change will significantly reduce the amount of funding available for Category 2 risk mitigation projects (down to \$142.907 million, from \$380.000 million originally allocated). You have previously approved funding release of \$70.810 million for four risk mitigation projects (Category 2P Grants; flood mitigation works at Harania and Te

Ararata, and landslip protection at Muriwai). Work at Muriwai has been discontinued as investigations showed the solution to be unviable, and the four affected properties have been reclassified as Category 3 and have been bought out. This has resulted in \$2.213 million being returned for other projects. The costs for the Category 2P Grant Scheme have also reduced with some properties moving to Category 3 and a reduction in the average cost of mitigation work. This has made a further \$11.315 million available for other risk mitigation projects

21. The three active projects are all on track and are due to complete in 2026. Collectively these projects will protect 517 homes from future flood risk, including 197 properties currently assessed as presenting an intolerable risk to life.
22. We and NIFFCo have worked with the Auckland Council to agree on the flood risk mitigation projects that could reasonably be undertaken with the remaining Category 2 funding available. Of the original six projects not yet approved¹, the two highest priority projects are the Clover Drive and Wairau flood resilience projects.
23. **Table 2** shows the proposed allocation of funding for all Category 2 risk mitigation projects. If you agree to move \$176.743 million to Category 3 and the funding release for the two priority projects, this will fully allocate all the Category 2 risk mitigation project funding for Auckland.

s9(2)(j)



24. The Auckland Council has submitted Project Delivery Plans for these two projects and NIFFCo has completed an assurance review to confirm that project criteria have been met to the required standards. A table summarising the benefits and assurance process for the projects is included as **Attachment B**. The summary PDP Recommendation Reports, setting out the project outcomes, costs, benefits, and key milestones, are included as **Attachments C and D**.

¹ Six remaining projects originally proposed under the CFA included flood protection programmes of work in Clover Drive, Wairau, Whangapouri, Kumeu, Te Auaunga, and Minor Blue Green Networks.

Clover Drive (Auckland Anniversary Day floods in January 2023)

25. Clover Drive and Camphora Place (Henderson, Auckland) were inundated with floodwaters up to 1.9 metres deep. Of the 169 properties in the floodplain, 89 are classified as having a high flood risk danger. Flood mitigation work to widen streams, raise ground levels and create a blue-green corridor, is needed to reduce the risk of future floods and mitigate against intolerable risk to life.
26. The Auckland Council is seeking approval for release of s9(2)(j) in Crown funding to support this work and under the cost-share agreement the Council will contribute an additional s9(2)(j) (38%) towards the cost of the project. We recommend you approve the release of s9(2)(j) of Crown funding for this project.

Wairau Stage One (Auckland Anniversary Day floods in January 2023)

27. Wairau has almost 1,500 properties in the flood plain that need protection from future flooding events. The Council is seeking the release of s9(2)(j) for Stage One of the project to create a new flood storage pond, improve conveyance capacity, and purchase properties to enable the works. Under the cost-share agreement the Council will contribute an additional s9(2)(j) (38%) towards the cost of the project.
28. If a future extreme weather event were to occur, Stage One will provide a reduction in flood depth to protect against loss of life, however, both Stages of the Wairau project are needed to provide full flood protection for the community. We recommend you approve Crown funding of s9(2)(j) for Stage One of this project on the understanding that Stage Two of the project, to reinstate the Wairau Creek channel as a blue green corridor and upgrade five stormwater detention centres, will be fully funded by Auckland Council and will commence construction within three years. Construction for Stage Two is planned to commence in October 2027.

Remaining risk mitigation projects will be removed from the CFA

29. Stage Two of the Wairau project and the remaining four projects, Whangapouri, Kumeu, Te Auaunga, (which all include culvert upgrades and stream widening) and Minor Blue Green Networks (covering installation of debris deflectors, culvert maintenance and network capacity upgrades across multiple sites) will be removed from Annexure D of the CFA, as no Crown funding will be provided to support them.
30. Except for Kumeu, where no feasible flood mitigation solution to sufficiently mitigate the known risks has been found, the projects remain a priority for the Auckland Council, and it expects to fully fund them through its Annual Operating and Long-Term Plans. Wairau Stage Two has been confirmed as the next priority, and main works construction is planned to begin in October 2027.
31. Construction at Whangapouri has been provisionally planned from July 2029 to December 2030, and Te Auaunga from January 2030 to June 2034. The minor blue-green network projects at Whau Stream, Porter's Stream and Opanuku Stream will all be included in the Council's business as usual work programmes and funded through Annual Plans.
32. While completion of these projects will now be extended until 2034 in order for the Council to fully fund them, this is still an acceleration from its original Plan (pre-NiWE) in which the projects were planned to be delivered over a 30-year timeframe.
33. The Council has confirmed that no Category 2C properties with intolerable risk to life will remain in the locations where the Crown will not be contributing funding to the risk mitigation projects. Where community risk mitigation projects were expected to take longer than three years to complete, the Council is categorising properties as Category 3.

Provision for further limited changes to funding allocations in CFAs

34. If not all the \$176.743 million crown funding reallocated to Category 3 is needed for voluntary buyouts when the Category 3 programme is completed, we recommend that funding is returned to Category 2C to contribute to the purchase of privately owned properties² to advance the Stage Two of the Wairau Category 2 risk mitigation project. The cost-share percentage agreement (62% Crown: 38% Auckland Council contribution) will continue to apply to any reallocated funding.
35. The three regions with NIWE CFAs, (Auckland, Hawke's Bay and Tairāwhiti), are likely to have underspends or overspends in some Category 2 risk mitigation projects, and/or local transport projects, as the work progresses over the next few years. There is already provision in the CFAs for councils to move funding between local transport projects, by notifying the Crown, and with prior approval of the New Zealand Transport Agency (NZTA).
36. We are seeking your approval to delegate limited authority to the NIFFCo Chief Executive on behalf of the Crown to approve the reallocation of funding between Category 2 risk mitigation projects through the established change control process where certain criteria are met. These criteria are:
- The full scope of both projects must be delivered.
 - Underspends cannot be used to increase the scope of another project.
 - The Crown's contribution must not exceed the agreed percentage contribution in the CFA.
 - The Council's contribution cannot fall below the agreed percentage contribution in the CFA.
 - The amount to be moved does not exceed \$5 million for any one project.
 - The Benefit Cost Ratio (BCR) continues to exceed 1.
 - The overall cost of the Crown's contribution to the Category 2 risk mitigation projects does not exceed the amount specified in the CFA.
 - The \$70 million for Wairoa can only be used for flood protection in Wairoa. No part of this funding can be allocated to projects in other parts of Hawke's Bay.
37. If any of these criteria are not met, then any proposed change would need to be referred to Ministers for decision.
38. In practice each Council is managing its Category 2 work as a programme of work, with reporting and resourcing shared across the projects. We anticipate that there will be some need to manage the funding for Category 2 projects at the programme level within each of the three regions (Auckland, Tairāwhiti and Hawke's Bay) and therefore we are seeking your approval to delegate this limited authority in relation to all three regions. This would allow for decisions to be made quickly so that work can continue to plan and would reduce the risk of further cost escalation.
39. Any unspent funding at the conclusion of the CFAs (which will expire in October 2033 or earlier once all projects are complete) will be returned to the Crown.

Summary of changes proposed to the NIWE Auckland CFA

40. The amended NIWE Auckland CFA incorporates the decisions made by Cabinet in July and the changes proposed in this briefing. This includes the reallocation of \$60.350 million from Category 2 to Category 3, plus the proposed reallocation of a further \$176.743 million. We have extended the date to complete the additional Category 3 voluntary buyouts from

² This excludes any Crown owned properties.

30 June 2025 to 31 December 2025 and made provision for NIFFCo to further extend this date if required. We have also confirmed the list of final projects in Annexures D and E.

41. The Auckland Council and NIFFCo have agreed to sign the amended CFA. All changes are within current funding allocations and are cost neutral to the Crown. We recommend you approve all proposed changes by agreeing to sign the amended NIWE Auckland CFA (**Attachment A**).

Financial implications

42. There are no financial implications to this amendment as no new Crown funding is being sought.
43. Approval of these two PDPs will result in all CFA funding being approved for release for Auckland. You have already approved all PDPs for Tairāwhiti. There are four PDPs still to be submitted for your approval for the Hawke's Bay Regional Council for which the Crown has allocated \$116.140 million. These will be submitted prior to the commencement of the budget moratorium on 14 April.

Consultation

44. The Treasury has reviewed this briefing and supports the recommendations.
45. NIFFCo and CRU officials have reviewed the PDPs and confirm that they meet the criteria for Crown funding set out in the NIWE Auckland CFA.

Next steps

46. If you agree with the recommendations to approve the reallocation of funding, we recommend you sign the attached amended Auckland NIWE CFA and return to the CRU.
47. If you agree to release the funding for the two remaining priority projects for Auckland, Clover Drive and Wairau Stage One, the Chief Executive Cyclone Recovery will write to NIFFCo to confirm that the projects meet the criteria for Crown funding. NIFFCo will then release funds to the Auckland Council to deliver the approved projects, in accordance with agreed milestones.
48. NIFFCo, in conjunction with the CRU, will continue to support the Auckland Council's delivery and monitor progress.

Attachments:	Title	Security classification
Attachment A:	North Island Weather Events (2023) – Auckland Crown Funding Agreement (Amendment)	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Summary of the benefits and assurance process for Auckland Council Category 2 risk mitigation projects	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Clover Drive Recommendation Report	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Wairau Recommendation Report	IN-CONFIDENCE UNCLASSIFIED

Attachments C and D are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

**Attachment A: North Island Weather Events (2023) Auckland Crown
Funding Agreement (Amendment)**

Proactively Released

North Island Weather Events (2023) - Auckland Crown Funding Agreement: Financial Contribution for Category 3 Voluntary Buyouts; and Funding Reservation for Category 2 Risk Mitigation Projects and Regional Transport Projects

BETWEEN The Sovereign in Right of New Zealand acting by and through the Minister for Cyclone Recovery and the Associate Minister of Finance (the **Crown**)

AND Auckland Council, a unitary authority listed in Part 2 of Schedule 2 to the Local Government Act 2002 (the **Recipient**)

AND National Infrastructure Funding and Financing Limited (a company incorporated in New Zealand with company number 2346751, having its address at Level 10, HSBC Tower, 188 Quay Street, Auckland Central, Auckland 1010, and formerly known as Crown Infrastructure Partners Limited) (the **Administrator**)

BACKGROUND

The Crown wishes to provide the Financial Contribution, and to reserve an aggregate amount of funding under the National Resilience Plan, each as described in Part 1 (Key Details), on the terms set out in this agreement. The Financial Contribution is to help fund Category 3 Voluntary Buyouts to be undertaken by the Recipient. The amounts reserved under the National Resilience Plan are to help fund Category 2 Risk Mitigation Projects and Regional Transport Projects.

The arrangements contained in this agreement have been agreed to by both parties as a package. These arrangements support a regional recovery and improved resilience following the North Island Weather Events.

The Recipient also acknowledges that the Crown and representatives of iwi/Māori in the region have adopted a separate kaupapa Māori pathway approach for agreeing the support to be provided in relation to Kaupapa Māori Pathway Properties.

AGREEMENT

The parties agree to the funding arrangements on the terms and conditions set out in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Defined Terms and Interpretation Rules) and Annexures A, B, C, D, E, and F.

This agreement is amended and restated as at the date that the last of the parties signs it. This agreement replaces an earlier agreement between the parties by the same name dated 6 October 2023. Anything done under and in accordance with that earlier agreement shall be treated as having been done under and in accordance with this agreement.

Signed for and on behalf of the
Sovereign in Right of New Zealand
acting by and through
the Minister of Finance:

Signed for and on behalf of the
Sovereign in Right of New Zealand
acting by and through
the Minister for Emergency
Management and Recovery:

Name: Hon Nicola Willis
Date:

Name: Hon Mark Mitchell
Date:

Signed for and on behalf of
Auckland Council
by its duly authorised representative
in the presence of:

Name of authorised
representative: Phil Wilson
Position/Title: Tumu Whakarae | Chief Executive
Date:

Signed for and on behalf of
National Infrastructure Funding and Financing Limited
by its duly authorised representative

Name of authorised
representative: Graham Mitchell
Position/Title: Chief Executive Officer
Date:

Part 1: Key Details

1 Context

- 1.1 The Recipient is a local authority in a region severely affected by the North Island Weather Events.
- 1.2 The regional recovery and improved resilience measures following the North Island Weather Events are locally led. The Recipient has taken the lead in its region.
- 1.3 The Recipient has categorised properties in its region that were impacted by the North Island Weather Events, and the ability to mitigate those risks.
- 1.4 This agreement concerns the Crown's Financial Contribution to help fund Category 3 Voluntary Buyouts and the reservation of amounts under the National Resilience Plan to help fund Category 2 Risk Mitigation Projects and Regional Transport Projects.
- 1.5 The Administrator is a party to this agreement for the purposes of undertaking a payment facilitation, review, monitoring and funding role for the Crown as further described in this agreement.
- 1.6 The Financial Contribution made under this agreement constitutes grant funding by the Crown.

2 Purpose

- 2.1 The purpose of this agreement is:
 - (a) to provide for the Financial Contribution that the Recipient will use to fund a share of the amount the Recipient must pay in connection with the Category 3 Voluntary Buyouts;
 - (b) to specify the Administrator's role in facilitating the payment of the Financial Contribution to the Recipient and reviewing, monitoring and funding projects; and
 - (c) to reserve for the benefit of the Recipient aggregate amounts of funding to be made available under the National Resilience Plan. These amounts are to be used to fund agreed sums on account of the costs to be incurred by the Recipient to undertake:
 - (i) the Category 2 Risk Mitigation Projects; and
 - (ii) the Regional Transport Projects,
 as detailed in this agreement.
- 2.2 The parties acknowledge that insurability of Category 2 Properties is a decision for insurers and is outside the direct control of the parties. Within that context the Crown and the Recipient acknowledge that insurability of Category 2 Properties may be maintained as a consequence of completion of high quality Category 2 Risk Mitigation Projects.

3 Conditions Precedent

- 3.1 This agreement will not take effect unless and until this agreement has been fully signed by the parties to it.

4 Core Recipient's obligations

- 4.1 **Overview:** The Recipient commits to the Crown that, subject to receipt of Financial Contributions for Category 3 Voluntary Buyouts under this Agreement, it will undertake a programme of Category 3 Voluntary Buyouts as part of implementing a strategy for regional recovery and improved resilience in the face of future severe weather events affecting the region.

4.2 Recipient obligations in relation to Category 3 Voluntary Buyouts: In the case of Category 3 Voluntary Buyouts in its region, the Recipient will:

- (a) assess and determine which properties are categorised as the Category 3 Properties;
 - (b) establish and implement a process for property owners to seek review of property categorisations;
 - (c) communicate and engage with the Category 3 Property owners;
 - (d) commence offers under the programme for the purchase of the Category 3 Properties no later than 1 November 2023;
 - (e) administer the overall programme for the purchase of the Category 3 Properties, including all matters related to the sale and purchase agreements. The Recipient will bear all contract and enforcement risk with respect to those agreements;
 - (f) if any insurance claims are (or are purported to be) assigned to the Recipient in relation to a Category 3 Property, manage those claims and pay or otherwise account to, the Crown for the Crown's share of those Insurance Proceeds (if any), without double-counting;
 - (g) take ownership of each Category 3 Property purchased and be responsible for all costs associated with the management of the Category 3 Properties purchased (including but not limited to all demolition and removal of building material). In turn, the Recipient may retain any revenues from the ongoing use of the land or its resale (where ongoing use remains viable);
 - (h) administer the overall programme for Mixed Use Arrangements on mixed-use Category 3 Properties, including all matters related to Mixed Use Arrangements agreements. The Recipient will bear all contract and enforcement risk with respect to those agreements;
 - (i) consistently apply its Nominated Categorisation Methodology and Nominated Buyout Methodology; and
 - (j) comply with the General Terms.
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5 Core Crown obligations

- 5.1 Financial Contribution:** The amount of Financial Contribution in respect of Category 3 Voluntary Buyouts to be made by the Crown to the Recipient under, and subject to the terms of, this agreement is 50% of the Net Aggregate Costs to the Recipient of the Category 3 Voluntary Buyouts. This funding will be no more than \$624,093,000 (plus GST, if any) (the **Maximum Aggregate Amount for Category 3 Voluntary Buyouts**).
- 5.2 Reservation of amount of funding under the National Resilience Plan – Category 2 Risk Mitigation Projects:** The amount of funding in respect of Category 2 Risk Mitigation Projects to be reserved for the Recipient under, and subject to the terms of, this agreement is \$142,907,000 (plus GST, if any). This amount is the total amount by way of pre-allocation of National Resilience Plan funding towards the capital expenditure cost of the Category 2 Risk Mitigation Projects.
- 5.3 Reservation of amount of funding under the National Resilience Plan – Regional Transport Projects:** The amount of funding in respect of Regional Transport Projects to be reserved for the Recipient under, and subject to the terms of, this agreement is \$110,000,000 (plus GST, if any). This amount is the total amount by way of pre-allocation
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of National Resilience Plan funding towards the capital expenditure cost of the Regional Transport Projects.

- 5.4 **Pre-allocation:** For the purposes of clauses 5.2 and 5.3, a pre-allocation is a portion of the NRP fund that a region can access without facing any competition for that amount from any other region.
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6 **Key funding details
– Category 3
Voluntary Buyouts**

6.1 **Recipient Cap:**

- (a) The maximum total cost to the Recipient of its own contribution to the Category 3 Voluntary Buyouts (the **Recipient Cap**) will be \$624,093,000 (plus GST, if any). This Recipient Cap amount is calculated on the basis that it is the Recipient's own contribution (being 50% of the Net Aggregate Costs), not including the Crown funding.
- (b) If 50% of the Net Aggregate Costs exceeds each of:
 - (i) the Maximum Aggregate Amount for the Category 3 Voluntary Buyouts; and
 - (ii) the Recipient Cap,
 then:
 - (iii) the Crown and the Recipient will negotiate in good faith as to whether to agree in writing an increase to the Recipient Cap and/or the Maximum Aggregate Amount for the Category 3 Voluntary Buyouts; and
 - (iv) any such agreement must take into account:
 - (A) the principle of 50/50 cost sharing between the Crown and the Recipient that has been agreed between the parties;
 - (B) the drivers for the amount having been reached;
 - (C) Recipient and Crown policy goals with respect to the Category 3 Voluntary Buyouts; and
 - (D) financial pressures for the Recipient and for the Crown.
- (c) This clause 6.1 applies only as between the Recipient and the Crown. The Crown has no responsibility for any obligations the Recipient may owe to third parties to complete the Category 3 Voluntary Buyouts in its region.

6.2 **Changes in methodologies:** If, after the Start Date, there is a change in:

- (a) the Nominated Categorisation Methodology; and/or
- (b) the Nominated Buyout Methodology,

then the Crown and the Recipient may, by agreement in writing:

- (c) increase the Maximum Aggregate Amount for the Category 3 Voluntary Buyout and/or the Recipient Cap; and
- (d) make any other amendments to this agreement necessary or desirable to reflect the change.

6.3 **Insurance Proceeds:**

- (a) The parties acknowledge and agree that, pursuant to the Nominated Buyout Methodology:
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- (i) settlement of Category 3 Voluntary Buyouts is in most cases expected to take place following settlement of any insurance claims, so the Recipient is not expected to directly receive any Insurance Proceeds, but insurance claim amounts will be a factor in determining the Category 3 Voluntary Buyout payment amount; and
 - (ii) in some cases insurance claims are expected to be assigned to the Recipient, in which case the Recipient must pay, or otherwise account to, the Crown for the Crown's share of those Insurance Proceeds in accordance with the General Terms.
- (b) Where insurance proceeds in relation to the Category 3 Properties the subject of the Category 3 Voluntary Buyouts are specifically allocated by the insurer towards losses or costs for which the Recipient is solely responsible (such as the costs of demolition and removal of building material), the Recipient may retain 100% of those insurance proceeds and the usual principle of 50/50 cost sharing between the Crown and the Recipient will not apply.

6.4 Incomplete and/or ineffective Category 2 Risk Mitigation Project:

The Crown will not provide further funding under this agreement in relation to any property that is later recategorised as a Category 3 Property in circumstances where the Crown has advanced funding under this agreement towards the Category 2 Risk Mitigation Project that was to mitigate the risk associated with that property, and that project is incomplete and/or ineffective (ie not providing the anticipated level or scope of protection from severe weather events). For the avoidance of doubt this clause 6.4 does not restrict clause 6.1 from applying in other circumstances.

6.5 Payments: The Crown will pay the Financial Contribution in relation to Category 3 Voluntary Buyouts in accordance with clause 2 of the General Terms.

7 Kaupapa Māori pathway

7.1 Kaupapa Māori Pathway Properties: The funding under the kaupapa Māori pathway approach in relation to Kaupapa Māori Pathway Properties is separate from, and will operate independently of, the arrangements for Category 3 Voluntary Buyouts contained in this agreement.

7.2 Incomplete and/or ineffective Category 2 Risk Mitigation Project: It is acknowledged that Category 2 Risk Mitigation Projects may mitigate risks on a range of property (including, but not limited to, Māori land and land in Māori communities). Clause 9 will apply to the funding of any such Category 2 Risk Mitigation Projects. For the avoidance of doubt, the Crown's kaupapa Māori funding pathway does not extend to funding projects mitigating risks on Category 2 Properties (including Māori land and land in Māori communities). Consistent with clause 6.4 above, the Crown will not provide any funding to the Recipient under this agreement in relation to any such properties that are later recategorised as a Category 3 Property in circumstances where the Crown has advanced funding under this agreement towards the Category 2 Risk Mitigation Project that was to mitigate the risk associated with that property, and that project is incomplete and/or ineffective (ie not providing the anticipated level or scope of protection from severe weather events). For the avoidance of doubt this clause 7.2 does not restrict clause 6.1 from applying in other circumstances.

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| 8 | Use of the Financial Contribution | 8.1 The Recipient may only use the Financial Contribution in relation to Category 3 Voluntary Buyouts to carry out the Category 3 Voluntary Buyouts (being the making of payments under sale and purchase agreements and Mixed-Use Arrangement agreements and the payment of Transaction Costs). |
| 9 | Key funding details – Category 2 Risk Mitigation Projects | <p>9.1 National Resilience Plan (NRP) funding for Category 2 Risk Mitigation Projects:</p> <ul style="list-style-type: none"> (a) A confirmed list of Category 2 Risk Mitigation Projects and indicative costs is set out at Annexure D. This list is effective as at 1 March 2025 and includes projects that have previously been approved and/or subject to a project funding agreement for the purposes of this agreement. (b) The Crown has issued the Recipient with an invitation letter (substantially in the form set out in Annexure F). The Recipient will prepare a project description and delivery plan (reflecting the proposed engineering solution) and supporting documentation in respect of each of the Category 2 Risk Mitigation Projects (including, to avoid doubt, all those in listed in Annexure D) in the form required by the invitation letter. (c) The Recipient will be responsible for preparing and providing all evidence and documents required for (including a delivery plan in respect of) each Category 2 Risk Mitigation Project to the Crown in accordance with the processes for the relevant funding scheme. The Recipient undertakes to use its reasonable endeavours to apply for, and be granted, funding for the Category 2 Risk Mitigation Projects. (d) Funding in respect of the Category 2 Risk Mitigation Projects (comprising capital expenditure, as well as funding provided for third party capital expenditure in respect of Category 2 Risk Mitigation Projects) will be released (from the pre-allocation for the Category 2 Risk Mitigation Projects), subject to (and in accordance with) milestones and conditions provided for in the applicable project funding agreement: <ul style="list-style-type: none"> (i) the documentation submitted by the Recipient in respect of a Category 2 Risk Mitigation Project being approved by the Crown or the Administrator (as applicable); (ii) Ministerial approvals of the Category 2 Risk Mitigation Project; and (iii) entry into a separate project funding agreement(s) on the same (or substantially the same) terms as are set out in the Agreed PFA (either individually, or grouped together with other Category 2 Risk Mitigation Projects). <p>Upon entry into a project funding agreement, the Recipient undertakes to commence and complete the applicable agreed Category 2 Risk Mitigation Project(s), and to deliver the risk mitigation benefits and other benefits specified therein, in each case in accordance with and subject to the terms of that project funding agreement.</p> (e) Some of the Category 2 Risk Mitigation Projects may be funded from the Flood Resilience Co-investment Fund (subject to the requirements applicable to that fund). Any funding so provided will be deducted from (but count towards) the NRP pre-allocation provided for in this agreement for the region. |

9.2 Allocations: The parties acknowledge and agree that:

- (a) the NRP funding pre-allocation for Category 2 Risk Mitigation Projects is to be made available until the aggregate of \$142,907,000 (plus GST, if any) is reached. For each Category 2 Risk Mitigation Project the NRP funding is intended to equal 62% of the total cost of that Category 2 Risk Mitigation Project, to be released pro rata with the Recipient's 38% commitment, or (if the remaining pre-allocation is less than such cost) the pro rata calculation is to be adjusted accordingly;
- (b) NRP funding will be released in instalments, on a milestone or progress basis (as applicable), in accordance with and subject to the terms of the relevant project funding agreement;
- (c) the Recipient will progress the Category 2 Risk Mitigation Projects in the priority order set out in Annexure D. The Crown and the Recipient may from time to time agree, acting reasonably, to amend the confirmed list of Category 2 Risk Mitigation Projects and/or the indicative costs of such projects set out in Annexure D;
- (d) for the purposes of clause 9.2(a), the total estimated cost of each Category 2 Risk Mitigation Project will be agreed between the Crown and the Recipient in advance of the commencement of that Category 2 Risk Mitigation Project;
- (e) there will be no release of NRP funds (or other Crown funds, including under this agreement) to meet cost overruns of any Category 2 Risk Mitigation Project (including, subject to clause (c) above, amounts above the indicative costs set out in Annexure D); and
- (f) to avoid doubt, the Crown will pay no more than an aggregate of \$142,907,000 (plus GST, if any) towards the cost of the Category 2 Risk Mitigation Projects.

9.3 Terms:

- (a) The terms applying to NRP funding for the Category 2 Risk Mitigation Projects will be subject to a separate project funding agreement(s) agreed between the parties and on the same (or substantially the same) terms as are set out in the Agreed PFA.
- (b) Clauses 2 (Payment), 4 (Reporting Requirements and Audit), 5 (Relationship Management), 8 (Intellectual Property) and 14 (Taxes and GST) of the General Terms and Annexures A, B, C and E do not apply to the NRP funding for the Category 2 Risk Mitigation Projects.

9.4 Assumptions:

- (a) The Crown has relied on the Recipient to prepare the confirmed list of the Category 2 Risk Mitigation Projects set out in Annexure D and to inform the allocations set out in clause 9.2.
- (b) If the underlying assumptions used by the Recipient in developing that list and informing those allocations do not prove to be correct, then the onus will be on the Recipient (and not the Crown) to resolve the resulting issues. In particular, clause 9.2 will continue to apply.

9.5 Insurability information: The Recipient will promptly provide all information reasonably requested by (or on behalf of) the Crown about the Category 2 Risk Mitigation Projects and their flood mitigation and climate resilience benefits, and (notwithstanding

clause 9 of the General Terms) agrees to the Crown sharing such information on a confidential and non-reliance basis with third parties, including (but not limited to) for the purposes of maximising the insurability of properties affected by the North Island Weather Events.

10 **Key funding details – Regional Transport Projects**

10.1 **National Resilience Plan (NRP) funding for Regional Transport Projects:**

- (a) A confirmed list of Regional Transport Projects and indicative costs is set out at Annexure E. This list is effective as at 1 August 2024 and includes projects that have previously been approved and/or subject to a project funding agreement for the purposes of this agreement.
- (b) The Crown has issued the Recipient with an invitation letter (substantially in the form set out in Annexure F). The Recipient will prepare a project description and delivery plan (reflecting the proposed engineering solution) and supporting documentation in respect of each of the Regional Transport Projects (including, to avoid doubt, all those in listed in Annexure E) in the form required by the invitation letter.
- (c) The Recipient will be responsible for preparing and providing all evidence and documents required for (including a delivery plan in respect of) each Regional Transport Project to the Crown in accordance with the processes for the NRP funding scheme. The Recipient undertakes to use its best endeavours to apply for, and be granted, NRP funding for the Regional Transport Projects.
- (d) Funding in respect of Regional Transport Project capital expenditure will be released (from the pre-allocation for the Regional Transport Projects), subject to (and in accordance with) milestones and conditions provided for in the applicable project funding agreement:
 - (i) the documentation submitted by the Recipient in respect of a Regional Transport Project being approved by the Crown or the Administrator (as applicable);
 - (ii) Ministerial approvals of the Regional Transport Project; and
 - (iii) entry into a separate project funding agreement(s) on the same (or substantially the same) terms as are set out in the Agreed PFA (either individually, or grouped together with other Regional Transport Projects). The parties will discuss whether Auckland Transport will enter into such agreement(s) in place of, or as well as, the Recipient.

Upon entry into a project funding agreement, the Recipient undertakes to (or to procure Auckland Transport to) commence and complete the applicable agreed Regional Transport Project(s), in accordance with and subject to the terms of that project funding agreement.

10.2 **Allocations:** The parties acknowledge and agree that:

- (a) the cost estimates as set out at Annexure E are appropriate (based on the information available as at the date of this agreement) for the completion of the respective Regional Transport Projects;
 - (b) the NRP funding pre-allocation for Regional Transport Projects is to be made available until the aggregate of \$110,000,000 (plus GST, if any) is reached. The NRP funding amount is intended to
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equal 100% of the estimated cost of each Regional Transport Project, or (if the remaining pre-allocation is less than such cost) is to be contributed pro rata with the Recipient's contribution of the balance;

- (c) NRP funding will be released in instalments, on a milestone or progress basis (as applicable), in accordance with and subject to the terms of the relevant project funding agreement;
- (d) the Recipient will (or will procure Auckland Transport to) progress the Regional Transport Projects set out in Annexure E. The Recipient may from time to time by written notice to the Crown:
 - (i) revise the priority order of its Regional Transport Projects; or
 - (ii) in the event that the revised estimated costs of its Regional Transport Project are more than the indicative amount set out in Annexure E, determine prior to entry into the applicable project funding agreement that the excess Crown funding amount may be deducted from the Crown funding amount associated with another Regional Transport Project; or
 - (iii) in the event that the costs of its Regional Transport Project are less than the indicative amount set out in Annexure E, determine that the Crown funding amount set out in Annexure E associated with another Regional Transport Project may be increased by the amount of the Crown funding amount difference,

provided that Waka Kotahi has given its prior approval;
- (e) there will be no release of NRP funds (or other Crown funds, including under this agreement) to meet cost overruns of any Regional Transport Project (including, subject to clause (d) above, amounts above the indicative costs set out in Annexure E); and
- (f) to avoid doubt, the Crown will pay no more than an aggregate of \$110,000,000 (plus GST, if any) towards the cost of the Regional Transport Projects.

10.3 Terms:

- (a) The terms applying to NRP funding for the Regional Transport Projects will be subject to a separate project funding agreement(s) agreed between the parties and on the same (or substantially the same) terms as are set out in the Agreed PFA.
- (b) Clauses 2 (Payment), 4 (Reporting Requirements and Audit), 5 (Relationship Management), 8 (Intellectual Property) and 14 (Taxes and GST) of the General Terms and Annexures A, B, C and D do not apply to the NRP funding for the Regional Transport Projects.

11 Administration and monitoring

11.1 The Crown has appointed National Infrastructure Funding and Financing Limited as the Administrator to undertake the roles specified for it in this clause 11. The Administrator agrees to be bound by and subject to the terms of this agreement in so far as it relates to the Administrator's role under this agreement.

11.2 The Administrator will:

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- (a) facilitate the payment of the Financial Contribution to the Recipient in accordance with the General Terms; and
 - (b) review, monitor and fund the Category 2 Risk Mitigation Projects and Regional Transport Projects under separate project funding agreements.

11.3 Unless notified otherwise by the Crown, the Recipient will be entitled to deal directly with the Administrator and its employees and contractors (rather than the Crown) in connection with the Administrator's role under this agreement. However, the Crown must be advised of any material disputes as between the Recipient and the Administrator and will determine, and must be involved in, the dispute resolution and selecting the appropriate form of escalation.

11.4 For clarity, the Administrator's role is limited to that described in clause 11.2. In particular, the Administrator is not authorised by the Crown to agree to vary, amend or waive any of the Crown's rights or entitlements under this agreement. These matters may only be done by the Crown itself or by the Administrator if specifically authorised to do so in writing by the Crown. The Crown remains the lead implementation co-ordinator.

11.5 Subject to clause 11.3, the Recipient will be entitled to rely on the acts of the Administrator in its role under clause 11.2, as if they are acts of the Crown. The Crown will remain fully responsible for those acts of the Administrator as if they were acts of the Crown.

12 Contact and notice details

Crown

Chief Executive, Cyclone Recovery
Level 8 Executive Wing
Parliament Buildings
Wellington
Attention: Katrina Casey, Chief Executive,
Cyclone Recovery
katrina.casey@dpmc.govt.nz

Administrator

Chief Executive
National Infrastructure Funding and Financing
Limited
Level 10, HSBC Tower,
188 Quay Street, Auckland Central, Auckland
1010
Attention: Kathryn Mitchell, Chief Legal and
Risk
kathryn.mitchell@crowinfrastructure.govt.nz

Recipient

Auckland Council
Level 15, Te Wharau o
Tāmaki Auckland House
135 Albert Street
Auckland 1010

Attention: Peter Gudsell,
Group Chief Financial
Officer

13 End dates

The Crown has no future liability after:

- (a) the Category 3 End Date in relation to Financial Contributions for Category 3 Voluntary Buyouts;
- (b) the Programme End Date in relation to Category 2 Risk Mitigation Projects and Regional Transport Projects.

14 Confirmation and acknowledgement

As at, and by reference to the facts and circumstances existing on, the date of this agreement, each party:

14.1 **confirms** that it has acted in good faith using the best information available to it in assessing the level and form of funding to be made available under this agreement; and

14.2 **acknowledges** that:

- (a) the other party has entered into this agreement in reliance on the confirmation in clause 14.1; and
 - (b) the Crown has made no promise that any other financial contribution is or will be available to the Recipient or any other person. In particular:
 - (i) the funding arrangements do not set a precedent for future similar events; and
 - (ii) (without limiting clause 6.1) the Recipient is responsible for any cost overruns of the Category 3 Voluntary Buyouts, the Category 2 Risk Mitigation Projects and the Regional Transport Projects; and
 - (c) future policy for community-led retreat and adaptation funding will need to be developed through a national policy process. The next step in this process revolves around the inquiry by Parliament's Environment Committee.
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Part 2: General Terms

1 TERM

This agreement commences on the Start Date and will continue in full force and effect until the Programme End Date, unless terminated earlier in accordance with its terms.

2 PAYMENT

- 2.1 The Crown is not required to pay a Financial Contribution instalment until the Recipient has submitted a corresponding Payment Request (and satisfied the pre-conditions) in accordance with this agreement.
- 2.2 To assist the Crown's administration of this agreement, the Recipient agrees to issue Payment Requests to the Administrator (including through the Administrator's IT system) for payments in advance no more frequently than monthly, or such other period mutually agreed with the Administrator for this purpose. Each Payment Request must be made no later than 20 Business Days before the start of the Payment Request Period. The first Payment Request Period must not be earlier than the calendar month December 2023. Where a Payment Request is delivered on or around a Monthly Reporting Date, the monthly report due under clause 4.1(a) and Payment Request may be combined.
- 2.3 The Administrator will identify its payments by reference to the Payment Request. Each Payment Request must be prepared by the Recipient in the form set out in Annexure C (or as otherwise agreed with the Administrator) for this purpose. The Payment Request must clearly for the Payment Request Period:
- (a) identify the forecast Net Aggregate Costs for the Payment Request Period, including the following forecast amounts:
 - (i) the aggregate amount of the gross purchase price and Mixed Use Arrangement payments in respect of the relevant Category 3 Properties the subject of the Payment Request;
 - (ii) the aggregate amount of the Transaction Costs in relation to those properties; and
 - (iii) (in the event that any insurance claims are (or are purported to be) assigned to the Recipient) the aggregate amounts of Insurance Proceeds (if any) to be received by the Recipient in respect of those properties,
 together with confirmation that each of the relevant Category 3 Properties is a Category 3 Property subject to the Nominated Buyout Methodology and that the Nominated Buyout Methodology has been complied with;
 - (b) in respect of the Payment Request Period for which the applicable Monthly Reporting Date fell immediately prior to the date of the Payment Request, include details of the actual costs to the Recipient of Category 3 Voluntary Buyout payments (including Mixed Use Arrangement payments) and Transaction Costs for that Payment Request Period, including, for each Category 3 Property to which the Payment Request relates:
 - (i) identify where an offer has been made, accepted, or is under consideration;
 - (ii) confirm that the Category 3 Voluntary Buyout remains in compliance with the Nominated Buyout Methodology;

- (iii) identify whether the offer is the purchase of a residential property or a Mixed Use Arrangement;
- (iv) include, in respect of the applicable purchase price or Mixed Use Arrangement payment:
 - (A) the amount; and
 - (B) itemised details of its calculation (such as the applicable market value, the applicable amount of Insurance Proceeds (and any component of them spent in good faith on property remediation), any homeowner contribution, and the application of any cap);
- (v) identify the deposit amount (if any) and the date on which it is payable;
- (vi) include itemised details of all forecast Transaction Costs incurred by the owner and by the Recipient in relation to that property;
- (vii) identify the settlement date; and
- (viii) identify whether any special circumstances apply, and if so include a description, and the actual Insurance Proceeds received by the Recipient, together with confirmation that the Recipient holds supporting documentation in respect of the above (including preliminary agreements, sale and purchase agreements, Mixed Use Arrangement agreements, valuations and valuer's certifications, and bank records evidencing payments made);
- (c) in respect of the Payment Request Period for which the applicable Monthly Reporting Date fell immediately prior to the date of the Payment Request, a reconciliation of the actuals set out in clause (b) as against the forecasted costs funded for that Payment Request Period, supporting the amount due to, or payable by, the Crown as a result of that comparison of actuals against forecasts;
- (d) a calculation netting off the forecast Net Aggregate Costs for the Payment Request Period requested in clause (a) against the amount due to, or payable by, the Crown under clause (c) in respect of the Payment Request Period for which the applicable Monthly Reporting Date fell immediately prior to the date of the Payment Request;
- (e) identify details of any valid adjustment under clause 2.8, or any other material information provided with, or relied upon for calculations made in, an earlier Payment Request that has turned out to be incorrect and/or that has been adjusted later in any material respect;
- (f) include details of any amount that is payable on a 'plus GST' basis and other taxable supply information required for the purposes of section 19F of the Goods and Services Tax Act 1985;
- (g) include the Recipient's confirmation that:
 - (i) no suspension event or termination event is subsisting;
 - (ii) each of the warranties set out in the agreement are correct as at the date of the Payment Request; and
 - (iii) except to the extent otherwise agreed in writing by the Crown, each Financial Contribution made under any previous Payment Request has been or will be applied (in full) for its intended purpose; and

- (h) include certification by the Recipient's Chief Executive Officer or Chief Financial Officer that the Payment Request is accurate and complete.
- 2.4 The Crown will pay the Financial Contribution in instalments to the Recipient's bank account, nominated and notified in writing to the Crown.
- 2.5 Subject to the terms of this agreement, the Crown will pay each valid Payment Request within 20 Business Days of receipt.
- 2.6 The Crown is not required to pay by reference to the Payment Request if:
- (a) the Payment Request does not contain accurate and complete details taking into account (where applicable) the nature of forecast information as required by clause 2.3, provided that the Crown will promptly advise the Recipient of the issue; or
 - (b) the Crown is not satisfied with the reconciliation and calculation under clauses 2.3(c) and (d).
- 2.7 The Crown is to pay the Financial Contribution in advance under clause 2.3 based on forecasted Net Aggregate Costs. The Recipient is to repay to the Crown any forecasted amounts paid by the Crown under this agreement, to the extent that such amount has not been applied (or committed to be applied) for its intended purpose or subsequently netted off against actual payments in accordance with clause 2.3(d).
- 2.8 If any amount of Financial Contribution pursuant to a Payment Request is subject to a valid adjustment, then the Recipient will submit a Payment Request to the Crown setting out full details of the adjustment and a clear explanation of it (which may be included in a Payment Request for a calendar month). For these purposes, a valid adjustment is an adjustment to the Financial Contribution as a result of:
- (a) the original amount having been calculated or estimated incorrectly;
 - (b) manifest error having been identified by the Crown or the Recipient; and
 - (c) the findings of an audit conducted by the Crown.

3 RECIPIENT'S RESPONSIBILITIES

- 3.1 The Recipient will promptly notify the Crown if the Recipient becomes aware of any matter that constitutes a material conflict of interest, providing full details of the matter.
- 3.2 Except as contemplated by this Agreement the Recipient will be solely responsible for paying (and funding) all of the actual costs it incurs in carrying out or undertaking its obligations under this agreement.
- 3.3 The Recipient must carry out its activities in connection with this agreement in compliance with all applicable laws and regulations.

4 REPORTING REQUIREMENTS AND AUDIT

- 4.1 The Recipient will provide the Crown by email with:
- (a) a monthly report by the Monthly Reporting Date in respect of each calendar month;
 - (b) a final report by the 20th Business Day of the Category 3 End Date;

- (c) immediate notice of any change in circumstance that may result in the Financial Contribution (or any part of the Financial Contribution) not being secured and available to the Recipient to be applied towards the Category 3 Voluntary Buyouts; and
 - (d) reports as otherwise reasonably required by the Crown.
- 4.2 The Recipient must, in respect of the monthly and final reports required under clauses 4.1(a) and (b) above, report on matters including:
- (a) a description and analysis of its progress in relation to carrying out the Category 3 Voluntary Buyouts, both during the reporting period and across the period on and from the Start Date to date, including:
 - (i) for each monthly report, details of the actual costs to the Recipient of Category 3 Voluntary Buyout payments (including Mixed Use Arrangements payments) and Transaction Costs for the relevant calendar month, and the actual Insurance Proceeds received by the Recipient, including, for each Category 3 Property to which the monthly report relates, the information set out in clause 2.3(b), together with confirmation that the Recipient holds the supporting documentation set out in clause 2.3(b). Where a monthly report and Payment Request are combined in accordance with clause 2.3, this information is already captured under clause 2.3(b);
 - (ii) a reconciliation of the actuals set out in clause (i) as against the forecasted costs funded for the relevant calendar month, supporting the amount due to, or payable by, the Crown as a result of that comparison of actuals against forecasts. Where a monthly report and Payment Request are combined in accordance with clause 2.3, this information is already captured under clauses 2.3(c) and (d);
 - (iii) a reconciliation of the running total of all actuals from the Start Date to (and including) the relevant calendar month, as against the running total of all forecasted costs funded from the Start Date to (and including) the relevant calendar month;
 - (iv) progress on the delivery of the Category 3 Voluntary Buyouts (including the number of remaining Category 3 Properties to buy) against the Milestones;
 - (v) any changes in numbers of Category 3 Properties for the region;
 - (vi) details of any valid adjustment under clause 2.8, or any other material information provided with, or relied upon for calculations made in, an earlier report that has turned out to be incorrect and/or that has been adjusted later in any material respect. Where a monthly report and Payment Request are combined in accordance with clause 2.3, this information is already captured under clauses 2.3(e);
 - (b) a description of reviews and disputes in connection with the Category 3 Voluntary Buyouts; and
 - (c) other matters reasonably required by the Crown.
- 4.3 For the avoidance of doubt, if any one or more of the reports do not satisfy the Crown, the Crown will be entitled to retain the disputed portion of any monthly payment pending resolution of the reporting issue under clause 12.
- 4.4 The Recipient will promptly provide all information requested by the Crown necessary to verify the Recipient's performance under this agreement, including copies of supporting documentation in

respect of the information set out in Payment Requests and the reports required under this clause 4.

4.5 The Recipient must:

- (a) maintain true and accurate records in connection with the use of the Financial Contribution and the carrying out of the Category 3 Voluntary Buyouts sufficient to enable the Crown to meet its obligations under the Public Finance Act 1989 and retain such records for at least 7 years after termination or expiry of this agreement;
- (b) permit the Crown, at the Crown's expense, to inspect or audit (using an auditor nominated by the Crown), from time to time until 7 years after termination or expiry of this agreement, all records relevant to this agreement;
- (c) allow the Crown reasonable access to the Recipient's premises or other premises where any of the works are being carried out; and
- (d) appoint a reputable firm of chartered accountants as auditors to audit its financial statements in relation to the use of the Financial Contribution.

5 **RELATIONSHIP MANAGEMENT**

5.1 As soon as reasonably practicable, and in any event within one month of the Start Date, the Administrator and the Recipient will establish:

- (a) an operational group with representatives from each of the Administrator and the Recipient to meet monthly, or otherwise as necessary, to address process and information flows and other operational matters arising from these General Terms; and
- (b) a governance group with senior representatives from each of the Crown, the Administrator and the Recipient to meet quarterly, or otherwise as necessary, in respect of the relationship between them and the performance of their respective obligations under these General Terms.

5.2 Each of the operational and governance groups will be responsible for managing their own procedures.

5.3 The parties will work together constructively and in good faith in respect of operational matters arising from these General Terms.

6 **WARRANTIES**

6.1 The Recipient warrants that:

- (a) it has full power and authority to enter into and perform its obligations under this agreement which, when executed, will constitute binding obligations on it in accordance with this agreement's terms;
- (b) prior to giving effect to this agreement it will obtain all necessary consents and approvals (or waivers) required for it to do so;
- (c) it has met all legal requirements and policies (including completed all processes, including consultations) necessary in relation to its entry into the agreement;

- (d) subject to receipt of Financial Contributions for Category 3 Voluntary Buyouts under this agreement, on and from 1 November 2023, it is able to commence the Category 3 Voluntary Buyouts consistent with the expectations of this agreement;
- (e) it has obtained all third party approvals for the sharing of personal information as may be required in connection with this agreement;
- (f) it is not insolvent or bankrupt and no formal action has been taken to initiate any form of insolvency administration in relation to the Recipient that has a reasonable likelihood of success;
- (g) all information provided by it to the Crown in connection with this agreement was, at the time it was provided, true, complete and accurate in all material respects; and
- (h) it is not aware of any material information that has not been disclosed to the Crown which is reasonably likely, if disclosed, to materially adversely affect the decision of the Crown whether to provide funding under this agreement.

6.2 The Recipient acknowledges that the Crown has entered into this agreement in reliance on these warranties.

6.3 The Recipient acknowledges and agrees that the Crown has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Permitted Activities other than as set out in this agreement.

7 SUSPENSION AND TERMINATION

7.1 The Crown may immediately suspend funding to a Recipient or terminate this agreement, in each case by giving notice to the Recipient, if the Recipient:

- (a) is in breach of any of its material obligations under this agreement and that breach is not capable of being remedied;
- (b) fails to remedy any breach of its material obligations under this agreement within 10 Business Days of receipt of notice of the breach from the Crown or the Administrator;
- (c) does or omits to do something, or any matter concerning the Recipient comes to the Crown's attention, which in the Crown's opinion may cause damage to the business or reputation of the Crown or of the Government of New Zealand;
- (d) has given or gives any information to the Crown or the Administrator which is misleading or inaccurate in any material respect; or
- (e) becomes insolvent, bankrupt or formal action is taken to initiate any form of insolvency administration in relation to the Recipient that has a reasonable likelihood of success.

7.2 Suspension of funding or termination of this agreement is without prejudice to the rights and obligations of the parties accrued up to and including the date of suspension or termination.

7.3 On termination of this agreement, the Crown may (without limiting any of its other rights or remedies):

- (a) require the Recipient to provide evidence of how the Financial Contribution has been spent;
- (b) require the Recipient to refund to the Crown:

- (i) any of the Financial Contribution that has not been spent or committed by the Recipient. For the purposes of this clause, Financial Contribution is committed where it has been provided or promised to a third party in connection with the Category 3 Voluntary Buyouts; and
- (ii) if the Financial Contribution has been misused, or misappropriated, by the Recipient, all the Financial Contribution paid up to the date of termination, together with interest at the rate of 10% per annum from the date the Recipient was paid the money to the date the Recipient returns the money; and/or
- (c) if any proportion of the Financial Contribution has not been used for the Category 3 Voluntary Buyouts, recover from the Recipient an equivalent amount of the Financial Contribution.

8 INTELLECTUAL PROPERTY

- 8.1 All intellectual property produced by the Recipient or its employees or contractors in relation to the Category 3 Voluntary Buyouts (including reports, documents, information and other materials created or provided by the Recipient under or in connection with this agreement) is, on creation, jointly owned by the Crown and the Recipient. Each party may use (which includes modifying, developing, assigning, or licensing) such intellectual property without obtaining the prior consent of the other party. On request, the Recipient must provide to the Crown such intellectual property in any format, and on any medium, reasonably requested by the Crown.
- 8.2 The Recipient must ensure that material created or developed in connection with the Category 3 Voluntary Buyouts does not infringe the Intellectual Property Rights of any person.

9 CONFIDENTIALITY

- 9.1 Subject to clauses 9.2 and 9.4, all parties will keep each other party's Confidential Information in confidence, and will use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this agreement. However, this will not prohibit:
 - (a) any party from using or disclosing any information with the written prior consent of the relevant other party;
 - (b) use or disclosure of information that has become generally known to the public other than through a breach of this agreement;
 - (c) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
 - (d) the Crown and the Administrator from using or disclosing to any third party any information, document, report or other material, provided that prior to any such disclosure the Crown or the Administrator removes all information that is commercially sensitive to the Recipient from the relevant work.
- 9.2 The Recipient acknowledges and agrees that nothing in this agreement restricts the Crown's or the Administrator's ability to:
 - (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Project(s) or this agreement with any Minister of the Crown, any other government department or agency or any of their respective advisors;

- (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and
- (c) publicise and report on the Crown making available the Financial Contribution to the Recipient, the Maximum Aggregate Amount for Category 3 Voluntary Buyouts, and details of the activities to which the Financial Contribution relates, or the amounts of pre-allocated NRP funding towards the cost of the Category 2 Risk Mitigation Projects and the Regional Transport Projects, on websites; in media releases; general announcements and annual reports.

9.3 The Crown and the Administrator agree to treat personal information disclosed to it by the Recipient as Confidential Information.

9.4 The Recipient acknowledges that:

- (a) the contents of this agreement; and
- (b) information provided to the Crown and the Administrator,

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this agreement and such information may be released to the public unless there is good reason, in terms of the Official Information Act 1982, to withhold it. This may include a copy of the agreement (redacted to remove confidential and commercially sensitive information), being published on a website of the Crown or the Administrator.

9.5 The Crown and the Administrator acknowledge that the Recipient is subject to the Local Government Official Information and Meetings Act 1987 and that its confidentiality obligations under this clause are subject to its compliance with that Act.

9.6 Each party agrees that if it receives a request under the Official Information Act 1982 or Local Government Official Information and Meetings Act 1987 in relation to this agreement, information provided under this agreement, or any related matter, it will inform and consider the views of each other relevant party prior to responding to that request, provided that this will not require any party to delay its response to any such request, and that the decision of each party in determining how to respond to any such request is final.

10 PUBLICITY

10.1 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of the Crown, the Administrator or any associated body, or to make any public statement or comment on behalf of the Crown or the Administrator.

10.2 A party will not make any media statements or press releases regarding this agreement or its subject matter without:

- (a) first providing the other party a reasonable time to review and comment on that proposed statement or release; and
- (b) receiving the other party's prior approval to the form and content of that statement or release (which approval shall not be unreasonably withheld or delayed, provided that it is

acknowledged that such approval may be dependent on views provided to the Crown by other relevant Government agencies).

In the case of the Crown and the Administrator, this clause shall not apply to statements or releases that refer generally to severe weather event recovery financial contribution agreements (or particular features of those types of agreements) or the parties to those agreements (even if the content of the statement or release applies equally to this agreement and the Recipient).

11 LIABILITY AND INSURANCE

- 11.1 The Crown and the Administrator are not liable for any loss of profit, loss of revenue or other indirect, consequential or incidental loss or damage arising under or in connection with this agreement.
- 11.2 The maximum liability of the Crown and the Administrator (jointly) under or in connection with this agreement whether arising in contract, tort (including negligence) or otherwise is the total amount which would be payable under this agreement if the Permitted Activities had been carried out in accordance with this agreement.
- 11.3 The Recipient (including its employees, agents, and contractors, if any) is not an employee, agent or partner of the Crown or the Administrator. At no time will the Crown or the Administrator have any liability to meet any of the Recipient's obligations under the Health and Safety at Work Act 2015 or to pay to the Recipient:
- (a) holiday pay, sick pay or any other payment under the Holidays Act 2003; or
 - (b) redundancy or any other form of severance pay; or
 - (c) taxes or levies, including any levies under the Accident Compensation Act 2001.
- 11.4 The Recipient indemnifies each of the Crown and the Administrator against any claim, liability, loss or expense (including legal fees on a solicitor own client basis) ("loss") brought or threatened against, or incurred by the Crown or the Administrator, arising from or in connection with a breach of this agreement by the Recipient or the Permitted Activities, or from the negligence or wilful misconduct of the Recipient, its employees or contractors.
- 11.5 The Recipient must effect and maintain for the term of this agreement:
- (a) adequate insurance (or self-insurance provision) to cover its obligations under this agreement and standard commercial risks; and
 - (b) other insurance reasonably required by the Crown.

The Recipient must, upon request by the Crown, provide the Crown with evidence of its compliance with this clause.

12 DISPUTE RESOLUTION

- 12.1 The parties will attempt to resolve any dispute or difference that may arise under or in connection with this agreement amicably and in good faith, referring the dispute to the parties' senior managers for resolution if necessary.
- 12.2 If the parties' senior managers are unable to resolve the dispute within 10 Business Days of it being referred to them, the parties will refer the dispute to mediation or another form of alternative dispute resolution agreed between the parties.

12.3 If a dispute is referred to mediation, the mediation will be conducted by a single mediator appointed by the parties (or if they cannot agree, appointed by the Chair of the Resolution Institute of New Zealand) and on the terms of the Resolution Institute's standard mediation agreement (unless the parties agree otherwise). The parties will pay their own costs relating to any mediation or other form of alternative dispute resolution (unless they agree otherwise).

12.4 The parties must continue to perform their obligations under this agreement as far as possible as if no dispute had arisen pending final resolution of the dispute.

12.5 Nothing in this clause 12 precludes a party from taking immediate steps to seek urgent relief before a New Zealand Court.

13 FORCE MAJEURE

13.1 A party will not be liable to the other party for any failure to perform its obligations under this agreement by reason of any cause or circumstance beyond the party's reasonable control including, acts of God, communication line failures, power failures, riots, strikes, lock-outs, labour disputes, fires, war, flood, earthquake or other disaster, or governmental action after the date of this agreement ("Force Majeure Event"). The party affected must:

- (a) notify the other party as soon as practicable after the Force Majeure Event occurs and provide full information concerning the Force Majeure Event including an estimate of the time likely to be required to overcome it;
- (b) use its best endeavours to overcome the Force Majeure Event; and
- (c) continue to perform its obligations as far as practicable.

14 TAXES AND GST

14.1 If the Recipient is liable for GST on any supply made under this agreement, the Crown or the Administrator will pay the amount of that GST to the Recipient in addition to and at the same time as the Financial Contribution, but only where the Recipient provides the Crown or the Administrator with a valid tax invoice for any amount that is payable on a 'plus GST' basis and other taxable supply information required for the purposes of section 19F of the Goods and Services Tax Act 1985.

15 GENERAL

15.1 A waiver by a party of any rights arising from any breach of any term of this agreement will not be a continuing waiver of any other rights arising from any other breaches of the same or other terms or conditions of this agreement. No failure or delay on the part of a party in the exercise of any right or remedy in this agreement will operate as a waiver. No single or partial exercise of any such right or remedy will preclude any other or further exercise of that or any other right or remedy.

15.2 The Recipient must not assign, or transfer any or all of its rights and obligations under this agreement. The Recipient remains liable for performance of its obligations under this agreement despite any approved subcontracting or assignment.

15.3 This agreement may only be varied by agreement in writing signed by the parties. The Administrator's agreement will not be required in respect of (and the Administrator will be deemed to have agreed to) any amendment to this agreement that does not relate to the scope of the Administrator's role under this agreement.

15.4 If any part or provision of this agreement is invalid, unenforceable or in conflict with the law, the invalid or unenforceable part or provision will be replaced with a provision which, as far as possible,

accomplishes the original purpose of the part or provision. The remainder of the agreement will be binding on the parties.

15.5 Any notice to be given under this agreement must be in writing and hand delivered or sent by email or registered post to the parties' respective email address or postal address as set out in clause 12 of the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to each other party. A notice is deemed to be received:

- (a) if personally delivered, when delivered; or
- (b) if posted, three Business Days after posting;
- (c) if sent by email, at the time the email enters the Recipient's information system as evidenced by a delivery receipt requested by the sender and it is not returned undelivered or as an error,

provided that any notice received after 5pm or on a day which is not a Business Day shall be deemed not to have been received until the next Business Day.

15.6 Each party agrees to execute and deliver any reasonably required documents which are in agreed form and to do all things as may reasonably be required by the other party to obtain the full benefit of this agreement according to its true intent.

15.7 The Recipient enters into this agreement in its capacity as a unitary authority and not in its capacity as a building consent authority or in any other regulatory capacity.

15.8 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this agreement.

15.9 Nothing in this arrangement will restrict, influence or otherwise limit compliance with statutory duties or exercise of functions or powers.

15.10 If there is any inconsistency between what is provided for in this agreement (or any part of it) and a statutory requirement binding on a party to it, then:

- (a) the affected party will promptly advise the other party of that inconsistency; and
- (b) to the minimum extent necessary, the provisions of this agreement will be deemed to be modified to remove any such inconsistency.

15.11 This agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this agreement.

15.12 The exercise by a party of any express right set out in this agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this agreement.

15.13 This agreement sets out the entire agreement and understanding of the parties and supersedes all prior oral or written agreements, understandings or arrangements relating to its subject matter.

15.14 The provisions of this agreement relating to reporting requirements and audit (clause 4), warranties (clause 6), suspension and termination (clause 7), intellectual property (clause 8), confidentiality (clause 9), publicity (clause 10) and liability and insurance (clause 11) will continue after the expiry or termination of this agreement.

15.15 This agreement may be signed in any number of counterparts (including emailed copies) and provided that each party has signed a counterpart, the counterparts, when taken together, will constitute a binding and enforceable agreement between the parties.

15.16 This agreement will be governed by and construed in accordance with the laws of New Zealand.

Proactively Released

Part 3: Defined Terms and Interpretation Rules

1 DEFINED TERMS

- 1.1 The following terms have the following meaning where used in this agreement, unless the context otherwise requires:

Administrator means the organisation appointed by the Crown under clause 11 of the Key Details to administer and/or monitor this agreement on the Crown's behalf and includes any replacement organisation and means the Crown if, at any time, no-one is appointed.

Agreed PFA means the project funding agreement entered into between Auckland Council and National Infrastructure Funding and Financing and dated (on or about) 12 March 2024.

Business Day means any day not being a Saturday or Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

Category 2 Property means a residential property, or a residential portion of a mixed-use property, which the Recipient has categorised as a Category 2 Property using the Nominated Categorisation Methodology.

Category 2 Risk Mitigation Projects means:

- (i) projects, programmes or schemes (as set out in Annexure D) designed to mitigate the risk associated with Category 2 Properties (together with, in some cases, other properties) from future severe weather events; and
- (ii) flood risk mitigation projects (as set out in Annexure D) that address flood risk in key areas impacted by the North Island Weather Events.

Category 3 End Date means (and includes) 31 December 2025 or such later date as may be agreed between the Administrator and the Recipient.

Category 3 Property means a residential property, or a residential portion of a mixed-use property, which the Recipient has categorised as a Category 3 Property using the Nominated Categorisation Methodology.

Category 3 Voluntary Buyouts means the programme of purchases by the Recipient of Category 3 Properties and any Mixed Use Arrangements in respect of mixed-use Category 3 Properties. For clarity, this programme and these agreements do not apply to any recategorised properties as described in clause 6.4 or clause 7.2 of the Key Details.

Confidential Information of a party (**Owner**), means any information in the possession or control of another party (**Holder**) that:

- (i) was originally acquired by the Holder in connection with this agreement through disclosures made by or at the request of the Owner; and/or
- (ii) was originally acquired by the Holder in connection with this agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (iii) is derived from information of a kind described in paragraph (i) or (ii) above,

but excludes any information which the Holder can show:

- (iv) was lawfully acquired by the Holder, entirely independently of its activities in connection with this agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (v) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this agreement are Confidential Information of which each party is both an Owner and a Holder.

Financial Contribution means the financial contribution in accordance with this agreement to help fund Category 3 Voluntary Buyouts to be undertaken by the Recipient.

General Terms means Part 2 of this agreement.

GST means goods and services tax within the meaning of the Goods and Services Tax Act 1985.

Insurance Proceeds means the residential land and residential building insurance payments for the North Island Weather Events made (or to be made) in relation to the Category 3 Properties the subject of the Category 3 Voluntary Buyouts, excluding insurance proceeds specifically allocated by the insurer towards losses or costs for which the Recipient is solely responsible (such as the costs of demolition and removal of building material) as described in clause 6.3(b) of the Key Details. Such payments may be made by the Earthquake Commission and/or private insurers.

Intellectual Property Rights includes copyright and all rights conferred under statute, common law or equity in relation to inventions (including patents), registered or unregistered trademarks and designs, circuit layouts, data and databases, confidential information, know-how, and all other rights resulting from intellectual activity.

Kaupapa Māori Pathway Properties means properties that are determined to be subject to the kaupapa Māori pathway relating to the North Island Weather Events reflecting decisions recorded in EWR-23-MIN-0075.

Key Details means Part 1 of this agreement.

Maximum Aggregate Amount for Category 3 Voluntary Buyouts means the maximum aggregate amount of the Crown's funding for the Category 3 Voluntary Buyouts, being the amount set out in clause 5.1 of the Key Details.

Milestones means the milestones set out in the Nominated Buyout Methodology.

Mixed Use Arrangement means a purchase or similar arrangement in respect of the residential portion of a mixed-use property.

Monthly Reporting Date means, in respect of a calendar month and the associated Payment Request Period, the 10th Business Day following the end of that calendar month.

National Resilience Plan or NRP means the plan by that name announced in Budget 2023 and (subject to the agreement of the Crown) includes any replacement or alternative source of Crown funding for the purposes of this defined term.

Net Aggregate Costs means:

- (i) the total cost to the Recipient of purchasing, and undertaking Mixed Use Arrangements in respect of, the Category 3 Properties and all Transaction Costs;

LESS

- (ii) if any insurance claims are (or are purported to be) assigned to the Recipient in relation to a Category 3 Property, those Insurance Proceeds.

Nominated Buyout Methodology means the methodology for:

- (i) purchasing Category 3 Properties; and
- (ii) undertaking Mixed Use Arrangements in respect of mixed-use Category 3 Properties,

determined by the Recipient and set out in Annexure B.

Nominated Categorisation Methodology means the categorisation method determined by the Recipient and set out in Annexure A.

North Island Weather Events means:

- (i) the effects of the floods immediately before and during Auckland Anniversary Weekend 2023; and/or
- (ii) the effects of Cyclone Gabrielle.

Payment Request means a request for payment made in accordance with clause 2 of the General Terms.

Payment Request Period means the calendar month to which the Payment Request relates.

Permitted Activities means the Category 3 Voluntary Buyouts, the Category 2 Risk Mitigation Projects and the Regional Transport Projects.

Programme End Date means (and includes) 30 June 2033 or such later date as may be agreed between the parties.

Regional Transport Projects means the projects, programmes or schemes to address transport infrastructure (as set out in Annexure E) in order to support the region's recovery from North Island Weather Events.

Start Date means (and includes) 30 October 2023.

Transaction Costs means the incidental costs of:

- (i) purchasing a Category 3 Property; or
- (ii) undertaking a Mixed Use Arrangement in relation to a Category 3 Property,

being the reasonable valuation, engagement, and legal costs of:

- (iii) in the case of a purchase of a Category 3 Property, the vendor and the Recipient in relation to the sale and purchase agreement; or

- (iv) in the case of a Mixed Use Arrangement in respect of a mixed-use Category 3 Property, the owner and the Recipient in relation to the Mixed Use Arrangement.

These costs do not include:

- (v) the Recipient's costs of categorising Category 3 Properties and establishing and administering the Category 3 Voluntary Buyout programme;
- (vi) any costs connected with resolving any disputes; or
- (vii) any costs associated with the management of the Category 3 Properties purchased (including but not limited to all demolition and removal of building material).

2 INTERPRETATION RULES

2.1 In the construction of this agreement, unless the context requires otherwise:

- (a) **Clause references:** references to clauses in the Key Details are to clauses of the Key Details unless they refer to the General Terms, and references to clauses in the General Terms are to clauses of the General Terms unless they refer to the Key Details;
- (b) **Defined Terms:** words or phrases appearing in this agreement with capitalised initial letters are defined terms and have the meanings given to them in this agreement;
- (c) **Documents:** a reference to any document, including this agreement, includes a reference to that document as amended or replaced from time to time;
- (d) **Inclusions:** a reference to 'includes' is a reference to 'includes without limitation', and 'include', 'included' and 'including' have corresponding meanings;
- (e) **Person:** a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;
- (f) **Precedence:** if there is any conflict between the different parts of this agreement, then unless specifically stated otherwise, the General Terms will prevail over the Key Details, and the Key Details will prevail over any other documents attached to or incorporated by reference into this agreement;
- (g) **Related Terms:** where a word or expression is defined in this agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;
- (h) **Statutes and Regulations:** a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;
- (i) **Writing:** a reference to 'written' or 'in writing' includes email and any commonly used electronic document format such as .DOC or .PDF.

ANNEXURE A – NOMINATED CATEGORISATION METHODOLOGY

Version 1.0_Categorisation approach

Version	Authoriser	Signature	Date
1.0	Phil Wilson, Chief Executive		30/10/23

Version 1.0_Categorisation approach

Categorisation Approach

Auckland Council has agreed with the Government to implement the government's categorisation framework (the **Framework**) for Auckland homes severely affected by the events over the Auckland Anniversary Weekend and Cyclone Gabrielle 2023 (severe weather events).

This document describes Auckland Council's nominated categorisation approach (Categorisation Approach) for application of the Framework.

1. Scope

1. Auckland Council's Categorisation Approach is part of a one-off, limited response to the exceptional circumstances of the severe weather events in 2023, and is not a permanent programme for future disaster relief.
2. The Categorisation Approach will be applied to residential properties¹ that have a legally established residential dwelling on them, and were affected by the severe weather events (**Properties in Scope**).
3. Auckland Council will make a Categorisation Decision about Properties in Scope on the basis of the Categorisation Approach set out below.

Overview of Categorisation Approach

4. In applying the Categorisation Approach to Properties in Scope, the council will:
 - (a) Assess whether there is "intolerable risk to life"² from flooding and/or landslides (**risk assessment**) for occupants of residential buildings on the property (not the land).
 - (b) Assess whether there is a feasible mitigation available to reduce the risk to life associated with the property to a tolerable level (**feasibility assessment**).
 - (c) Taking into account the risk assessment and feasibility assessment, assign a "Category" to the property (the **Categorisation Decision**).
5. A Categorisation Decision will enable the identification of:
 - (a) Category 3 properties eligible for a buy-out under the Scheme Terms.
 - (b) Category 2 properties, for which there is a feasible mitigation at either a community or property level.
 - (c) Category 1 properties, for which the risk does not meet the threshold of "intolerable risk to life".
6. Council's application of the Framework through the Categorisation Approach (and the resulting Categorisation Decision) is a feature of the jointly funded, one-off, limited

¹ "Residential properties" does not include any properties owned, managed or administered by the Crown or any of its entities or agencies.

² For flooding, there is "intolerable risk to life" where there is a high risk to life to vulnerable people in an existing 1% AEP flood event. For landslides, there is "intolerable risk to life" where the Annual Individual Fatality Risk is 1 in 10,000 or greater for the most vulnerable user.

Version 1.0_Categorisation approach

response to the exceptional circumstances of the severe weather events in 2023.

Accordingly, a Categorisation Decision:

- (a) Is understood by the council as an “administrative tool” and a prerequisite to allow the council to respond to the severe weather events.
- (b) Is not considered by Auckland Council to be an enduring state attaching to a property. A Categorisation Decision reflects the risk assessment and feasibility assessment at a particular point in time.
- (c) Does not have a legislative or regulatory basis.

Government Framework

7. The government released initial risk categories for assessing the future of flood and landslide affected residential properties on 1 May 2023. The three categories announced by the government were:
 - (a) Low Risk – Repair to previous state is all that is required to manage future severe weather event risk. This means that once any flood protection near the property is repaired, the home can be rebuilt at the same site.
 - (b) Managed Risk – Community or property-level interventions will manage future severe weather event risk. This could include the raising of nearby stop banks, improving drainage or raising the property.
 - (c) High Risk – Areas in the high-risk category are not safe to live in because of the unacceptable risk of future flooding and loss of life. Homes in these areas should not be rebuilt on their current sites.
8. The descriptions of the government’s initial categories (which inform the Framework) are as follows:

Category	Definitions	Examples
1	Repair to previous state is all that is required to manage future severe weather event risk.	Minor flood damage to repair but no need for significant redesign/retrofitting.
2C	Community level interventions are effective in managing future severe weather event risk.	Local government repairs and enhances flood protection schemes to adequately manage the risk of future flooding events in the face of climate change effects.
2P	Property level interventions are needed to manage future severe weather event risk, including in tandem with community level interventions.	Property specific measures are necessary e.g., improved drainage, raising houses is necessary. Benefits accrue to property owners but some may face affordability issues.

Version 1.0_Categorisation approach

2A	Potential to fall within 2C/2P but significant further assessment required.	Interventions may be required / possible but insufficient information to provide initial categorisation (these may subsequently move between "2" categories or to categories 1 / 3).
3	Future severe weather event risk cannot be sufficiently mitigated. In some cases some current land uses may remain acceptable, while for others there is an intolerable risk of injury or death.	In the face of enhanced climate risks the property may face unacceptable risk of future flooding. Other property could be subject to unstable land that poses an ongoing risk.

9. The government Framework refers to floods but also applies to landslides (and so the council reads "flood" as referring to "flood or landslide" throughout).
10. The government's Framework is clear that the Voluntary Buy-out Support Scheme for Category 3 properties will be a **voluntary process** and is limited to **residential properties only**. These parameters inform the scope of Auckland Council's Categorisation Approach.

Context for development of the Categorisation Approach

11. The nature of the damage sustained in Auckland in the severe weather events has informed the development of the Categorisation Approach:
 - (a) **Flood damage sustained in severe weather events:** Auckland's topography is a primary driver of flooding characteristics. Auckland's catchments are generally small, steep and drain to the coast. The region has ~94,000 km of overland flow paths (the routes taken by stormwater when flowing over land, including over 16,000km of permanent streams. This means we have more flooding from heavy rain events (pluvial flooding), often with little warning (flash flooding). There are no major rivers in the region meaning there is less flooding from rivers breaching their banks (fluvial flooding) than other regions in NZ.
 - (b) **Land instability resulting from the severe weather events:** In Auckland, land instability is often prevalent in the weak soils and rock that are common across the region. Landslides can be triggered by heavy rainfall, earthquakes and human activity such as removal of trees and vegetation, steep cuttings, poorly placed fill, leaking water pipes or a combination of these.
12. In Auckland, advice from technical experts is that individual property assessments are required to support Categorisation Decisions. For landslides, this aligns with the recommendations of the GNS Science guideline "Landslide Planning Guidance – Reducing Landslide Risk through Land-Use Planning" (in consultation). For flooding this aligns with the standard flood assessment method for on-site assessments of public and private buildings (Auckland Council - Flood Modelling Specifications 2013).

Version 1.0_Categorisation approach

13. The Categorisation Approach will be applied to residential properties and has been designed to assess risk at the property level rather than on an area-wide basis.

Process: Application of the Categorisation Approach

14. The Categorisation Approach will be applied as follows:
- a. Auckland homeowners with Properties in Scope are invited to 'opt in' by providing information that the council can consider in undertaking an initial desktop assessment.
 - b. To date, Properties in Scope have been identified where a homeowner:
 - i. Owns a property in an area that council is aware was highly impacted or suffered significant damage; and/or
 - ii. Has received a letter from Auckland Council (sent to all placarded properties) or become aware of the categorisation process through the media; and/or
 - iii. Has provided information to council to inform a desktop assessment.
 - c. Work remains ongoing to identify additional Properties in Scope.³
 - d. A desktop triage is undertaken to determine whether a property has the potential to have "intolerable risk to life". This desktop assessment is based on expert judgement using the information provided by the homeowner, along with other relevant information including available datasets, flood model results, hazard maps, and records from the severe weather events.
 - e. For any Property in Scope where the desktop assessment indicates the potential for "intolerable risk to life" (and for any flooded properties that property owners have indicated they consider may be "a Category 2 or 3"), the council (or experts engaged by the council) will undertake a site assessment.
 - f. The results of the site assessment inform the risk assessment and are reported alongside potential mitigation options, with costings at a concept design level, to inform an assessment of feasibility.
 - g. The results of the risk and options assessments (and the desktop assessment) provide the council with sufficient information to inform the Categorisation Decision (i.e. whether there is an "intolerable risk to life" associated with the property, and whether the long-term risk can be feasibly mitigated to a "tolerable" level).
 - h. The Categorisation Decision will be made by the Group Recovery Manager, following consideration of the recommendation from technical experts.

³ For example, the Group Recovery Manager issued a statutory notice under the Civil Defence Emergency Management Act 2002 to insurance companies and Toka Tū Ake EQC, requiring them to provide property addresses for significant claims received in relation to the severe weather events. The notice stated that this information was required to assist council in identifying properties under the categorisation framework.

Version 1.0_Categorisation approach

- i. The Categorisation Decision and the next steps in the process will be communicated to the property owner by the council's Recovery Office.

Categorisation Approach: Landslide Risk Assessment

15. For landslides, the risk assessment framework anticipates that a building will be "Category 3" where the Annual Individual Fatality Risk is 1 in 10,000 or greater for the most vulnerable user and there is no feasible mitigation (at a property or community level) to reduce the risk to a tolerable or acceptable level.
16. The Annual Individual Fatality Risk is calculated as follows:

$$R_{(LoL)} = P_{(H)} \times P_{(S,H)} \times P_{(T,S)} \times V_{(D,T)} \quad (2)$$

Where

- $R_{(LoL)}$ is the risk (annual probability of loss of life (death) of an individual).
- $P_{(H)}$ is the annual probability of the landslide.
- $P_{(S,H)}$ is the probability of spatial impact of the landslide impacting a building (location) taking into account the travel distance and travel direction given the event.
- $P_{(T,S)}$ is the temporal spatial probability (e.g. of the building or location being occupied by the individual) given the spatial impact and allowing for the possibility of evacuation given there is warning of the landslide occurrence.
- $V_{(D,T)}$ is the vulnerability of the individual (probability of loss of life of the individual given the impact).

17. For properties where there may potentially be "intolerable risk to life" according to a desktop triage in areas not covered by the GHD report, Auckland Council has contracted geotechnical engineers to undertake on-site geotechnical assessments. Auckland Council has created a template scope of works to guide the quantitative assessment by geotechnical experts of risk to life from landslides. If property owners prefer to organise their own geotechnical report they can do so, with advice available on the council's website (including a downloadable copy of the template for completion by the privately engaged geotechnical engineer, and guidelines on the use of AGS2007 for landslide risk assessment in Auckland).
18. A landslide risk assessment undertaken in accordance with council's template will provide the council with evidence of (amongst other things):
 - (a) **Damage assessment:** An assessment of land damage sustained from the Auckland weather events (which will also include any work carried out to repair the land damage, consideration of pre-existing conditions or damage, apportionment of damage if multiple events, and assessment of any sources of off-site risk).
 - (b) Quantitative assessment of the stability of the land which may affect safe use of the property.
 - (c) Quantitative assessment of risk of loss of life for users of the property. An "intolerable risk to life" (in accordance with the AGS2007 guidelines), is an Annual Individual Fatality Risk of 1 in 10,000 or greater for the most vulnerable user.
 - (d) Expert opinion on whether the long-term risk to life can be reduced to a tolerable level (and advice on the Categorisation Approach required to achieve this, and scope of works to be completed as part of the construction programme, including a cost estimate).
 - (e) An assessment of the unmitigated and mitigated risk of loss of life.

Version 1.0_Categorisation approach

19. A landslide risk assessment undertaken in accordance with Auckland Council's template provides the council with sufficient information (in addition to the information already held) to inform a recommendation by the technical experts to the Group Recovery Manager.

Categorisation Approach: Flooding Risk Assessment

20. Auckland Council's risk assessment framework for flooding assesses "intolerable risk to life" associated with residential properties, based on a Danger Rating assigned through the application of "Flood Danger Risk Assessment".
21. Flood Danger represents the relative threat posed by flooding to building occupants taking into account the flood hazard inside and outside the building, and evacuation routes.
22. For flooding, the risk assessment framework anticipates that a building will be "Category 3" where there is a high risk to life to vulnerable people in an existing 1% AEP flood event, and there is no feasible mitigation (at a property or community level) to reduce the risk to a tolerable or acceptable level.
23. Risk assessment for flooding will include:
 - (a) **Damage assessment:** an assessment of flood damage sustained from the Auckland weather events
 - (b) **Assessment of Flood Danger** as a combination of:
 - i. **Event likelihood** (in terms of the probability of an event of a given magnitude being equalled or exceeded within a year – the Annual Exceedance Probability, or AEP),
 - ii. **Hazard** (the level of risk to life by flooding),
 - iii. **Exposure** (what is exposed to flood hazard in a given place) and
 - iv. **Vulnerability** (propensity to suffer adverse effects of flooding, based on individual characteristics and external factors).
24. Auckland Council will assess whether there is "intolerable risk to life" by assigning a Flood Danger Rating to a property in accordance with council's Flood Danger Rating Schema. The Flood Danger Rating represents the threat to life to people inside or outside dwellings on residential property that are exposed to flood hazard.
25. In addition to Flood Danger, the risk assessment framework takes into account the likelihood of an event occurring. Event Likelihood is described by the annual exceedance probability (AEP) of the flood event, which is the probability of the event being equalled or exceeded within a year. As rainfall is the primary driver of flooding in the Auckland region, flood event likelihood can be considered synonymous with rainfall event likelihood.
26. Expert opinion on options to reduce risk to life to a tolerable level (and the Categorisation Approach required to achieve this, and scope of works to be completed as part of the construction programme, including a cost estimate).

Version 1.0_Categorisation approach

27. An assessment of the unmitigated and mitigated risk: A flooding risk assessment undertaken in accordance with Auckland Council's template, and if necessary an options assessment provides the council with sufficient information (in addition to the information already held) to inform a recommendation by the technical experts to the Group Recovery Manager.

Categorisation Approach: Feasibility Assessment

28. The site assessments undertaken by Auckland Council (or experts engaged by the council) will consider whether there is a property or community level solution available to mitigate the risk to life associated with a property, and the approximate cost of that solution.
29. Whether a property level mitigation is feasible will be determined by the council taking into account
- (a) The cost of the mitigation (whether the cost of the mitigation is likely to cost less than 25% of the CV of the property).
 - (b) Whether the mitigation can reasonably be expected to be delivered within two years of the Categorisation Decision.
30. Whether a community level mitigation is feasible will be determined by the council (and is subject to business case approval and funding under the National Resilience Plan).

Categorisation Approach: Quality Assurance

31. The government engaged Tonkin & Taylor Ltd to provide a high-level assurance review of the process followed by Auckland Council in establishing the Categorisation Approach (in accordance with the Framework).
32. In terms of the application for the Framework, for the landslide risk assessments Auckland Council has engaged a panel of five experts (the Geotechnical Advisory Panel) to review the approaches taken, project scopes and key deliverables. These individuals were chosen to represent the range of skills and experience needed to achieve the required outcomes. The Geotechnical Advisory Panel comprises two Engineering Geologists, a Hydrologist and two Geotechnical Engineers from five independent organisations.
33. In addition to the Geotechnical Advisory Panel, Auckland Council has a dual approach to quality assurance for the landslide risk assessments being undertaken across Auckland. Auckland Council is in the process of engaging two well respected local experts to act as mentors to the suppliers undertaking the field assessment work to help ensure they are providing consistent, well informed reports. Once delivered, each report is then subjected to a robust peer-review process. Council has engaged WSP Australia to undertake the technical peer-review, while our in-house Regulatory Services team will check proposed mitigations for potential consenting requirements.
34. For the Flood risk assessments Auckland Council is in the process of engaging a panel of four experts to review and assure the approach taken. These individuals were chosen to represent a range of skills and experience needed to achieve the required

Version 1.0_Categorisation approach

outcomes. The group contains expertise from across New Zealand, including the engineering sector, local government, and a Crown Research Institute.

Dispute resolution

35. Auckland Council has established a dispute resolution process [\[LINK\]](#) for Categorisation Decisions. The dispute resolution process will relate to a Categorisation Decision made in respect of a Property in Scope, and is not an opportunity to contest the Framework or the Categorisation Approach itself.

Special circumstances

36. On the application of a homeowner, the council may in its discretion consider whether to make a Categorisation Decision that departs from the position set out in this Categorisation Approach (a special circumstances decision).
37. A special circumstances decision will be made in accordance with the council's Guidance on the application of Special Circumstances, and will have regard to:
- (a) The nature of the "special circumstances" and the extent of (and any implications of) departure from the Categorisation Approach.
 - (b) The level of any increased cost to the council resulting from the departure from the Categorisation Approach.
 - (c) Whether departure in an individual case is consistent with the council's overarching policy objective for its Categorisation Approach, which is to permanently remove or reduce the intolerable risk to life posed by some residential properties due to the severe weather events.
 - (d) Whether departure in an individual case is consistent with the further objectives guiding the council's policy approach (i.e. whether departure is effective, affordable, fair and consistent with policy intent, and equitable).=

END

ANNEXURE B – NOMINATED BUYOUT METHODOLOGY

Voluntary Buy-out Support Scheme Terms						
Document Control						
Version	Author	Signature	Date	Authoriser	Signature	Date
1	Kathryn Hickling		29/12/23	Phil Wilson		29/10/23

27 October 2023

Voluntary Buy-out Support Scheme Terms

Auckland Council has agreed with the Government to implement a voluntary buy-out scheme (Voluntary Buy-out Support Scheme) for Auckland homes severely affected by the extreme weather events over Auckland Anniversary Weekend, and Cyclone Gabrielle 2023 (severe weather events).

These terms describe the properties eligible for buy-out, the price, and the buy-out process.

1. Introduction

The severe weather events have had a devastating and lasting impact on many communities, families and individuals across Tāmaki Makaurau / Auckland. Flooding and landslides have damaged or destroyed thousands of homes and changed people's lives.

In response to the scale of damage across Auckland and other parts of the North Island, the government announced a locally-led, centrally-supported recovery package, with co-funding to be agreed between the government and affected councils.

Part of the package addresses the removal of risk to severely affected residential properties through voluntary buy-out. Under the agreement with Government, Auckland Council is responsible for setting the technical assessment criteria and buy-out rules.

2. Policy objectives

Auckland Council's overarching policy objective is to support Aucklanders to voluntarily relocate from residential housing situations on properties that pose an intolerable risk to their lives.

In deciding the terms of the Voluntary Buy-out Support Scheme, Auckland Council has balanced the following considerations:

- **Effective** – the speed and uptake of buy-out to remove the intolerable risk to life posed to households from their property.
- **Affordable** – the amount of funding available across the number of properties that need to be purchased to remove intolerable risk to life. Affordability assumptions and scenarios have been used to help make an assessment against this criterion as a high level of uncertainty exists.
- **Fair and consistent with policy intent** – our legal obligations to be fair and for the scheme to be consistent with the stated policy intent.
- **Equitable** – scheme equity for those most in need and those who fund the scheme.

3. Voluntary Buy-out Support Scheme

- (a) The Voluntary Buy-out Support Scheme has been approved by Auckland Council's Governing Body after public consultation, and as part of a co-funding agreement with Government.
- (b) The Voluntary Buy-out Support Scheme is a one-off, limited response to the exceptional circumstances of the severe weather events, and is not a permanent programme for future disaster relief.

4. Scope

The Voluntary Buy-out Support Scheme applies to "Category 3" residential properties in the Auckland Council territory that have a dwelling on them and were affected by the severe weather events. Auckland Council will offer to buy those properties on the basis described below.

5. Types of property

Only residential properties¹ will be eligible for buy-out:

- (a) The property must have a legally established residential dwelling on the site. This can include second-homes, baches and residential rental properties. If the property is mixed-use (for example, includes commercial or agricultural uses) then only the residential portion is eligible for buy-out. Auckland Council will negotiate this.
- (b) Properties that have changed hands since 26 January 2023 are only eligible at Auckland Council's discretion and/or on terms that Auckland Council agrees to².

6. Category 3

- (a) Category 3 residential properties are ones which, as a result of the severe weather events, are assessed by Auckland Council to represent:
 - An intolerable risk to life from land instability or flooding risk; and
 - There are no feasible mitigation solutions (either property-based or community-based) that would reduce that risk to tolerable levels.
- (b) Auckland Council has developed criteria for what constitutes an intolerable risk to life [\[LINK\]](#) and how to apply the "no feasible mitigation" threshold [\[LINK\]](#). Only properties that Auckland Council assesses as meeting these tests will be categorised as Category 3 and eligible for voluntary buy-out.

¹ "Residential properties" does not include any properties owned, managed or administered by the Crown or any of its entities or agencies.

² See guidance in Note A.

7. Price

The buy-out price will be the “reference valuation” less all insurance and EQC proceeds, and less the specified homeowner contribution, as follows:

- (a) The reference valuation will be market value of the property as at 26 January 2023 (being the day before the Auckland Anniversary Weekend floods), as assessed by a registered valuer appointed by Auckland Council.
- (b) Auckland Council will appoint registered valuers to assess the reference valuations. Where possible valuers will work in specific areas to help consistency across the valuations.
- (c) Insurance and EQC proceeds include all payments made, payable or which should have been payable in respect of the severe weather events, with the following allowances:
 - Auckland Council will still offer to buy-out eligible properties that are uninsured, under-insured, or where the property owner has become disqualified from payouts (for reasons other than fraud).
 - Auckland Council may, in its discretion, top-up for any insurance or EQC proceeds that the property owner has spent in good faith on property remediation prior to Auckland Council’s buy-out offer. This will require a statutory declaration and receipts. Council will not top-up insurance proceeds spent on other things.
- (d) Subject to any exceptions in these terms, a homeowner contribution will be deducted from the buy-out price as follows:
 - Insured property: 5% of the reference valuation
 - Uninsured property: 20% of the reference valuation

Council may in its sole discretion (and with reference to the Guidance on Uninsured Individual Circumstances³) reduce the uninsured homeowner contribution to the same basis as an insured property if there are individual circumstances that mean it is fair to do so having regard to the purpose of the scheme, for example if:

- there was little or no insurable loss;
- the owner was not able to obtain insurance because of previous weather events; or
- the owner can demonstrate a history of payment of house insurance premiums.

³ See guidance in Note B.

Example

Sally lived in her West Auckland home which Auckland Council has assessed as Category 3 because of land instability from the severe weather events, which cannot feasibly be mitigated.

Auckland Council's valuer has assessed its market value as \$1.6m as at 26 January 2023. Sally has received an EQC payout of \$300,000 and private insurance of \$500,000. She spent \$20,000 on repairs.

Auckland Council will pay \$740,000.

Being the \$1.6m valuation, less EQC payout of \$300,000, less unspent insurance payout of \$480,000, less the homeowner contribution of \$80,000 (being 5% of 1.6m).

8.**Process**

The buy-out process will generally proceed as follows:

- (a) **Categorisation:** Assessment as Category 3 by Auckland Council.
- (b) **Opt-in:** Opt-in indication from property owner within 3 months of Auckland Council confirming Category 3 status to a property owner. Property owner completes and signs opt-in indicative form, confirming things such as insurance status and providing authority for disclosure of personal information for the purposes of the Scheme.

If the property owner does not complete and sign the form within 3 months of receiving it from the council, the council may reasonably take it that the property owner does not wish to opt-in to the Scheme.
- (c) **Council costs contribution:** Payment of contribution to property owner of \$5,000 (including GST) in good faith for professional costs for property owners opting-in to the process. This is intended to assist with costs like legal, valuation and other professional/expert services. Council may require reasonable evidence at settlement (eg receipts) to show the funds have been spent as intended. Opting-in and accepting the contribution does not mean a property owner has to accept council's offer or that a property owner cannot dispute the reference valuation.
- (d) **Valuation:** Market valuation of property as at 26 January 2023 by Auckland Council engaged registered valuer.
- (e) **Offer:** The property advisor will present an offer to the property owner, which will include a copy of council's registered valuation, accompanied by a conditional sale and purchase agreement with completed offer price (based on Auckland Council's registered valuation, net of insurance and EQC and incorporating the homeowner contribution) (offer).
- (f) **Acceptance:** The property owner has 1 month within which to accept the offer and sign the Sale and Purchase Agreement. Property owners who do not agree with the reference valuation underlying the offer can seek a review under the Scheme's dispute resolution process (see paragraph 9 below). The period for accepting the

offer will be extended to allow for engagement with the dispute resolution process, if necessary.

(g) **Signing Sale and Purchase Agreement:** Signing a Sale and Purchase Agreement for the finally accepted price, noting:

- **GST:** The buy-out price will include GST (if any)⁴.
- **Insurance:** Settlement will be conditional on the payout to the property owner of all EQC and insurance claims to Auckland Council's satisfaction (which may include payout certificate from insurers and EQC, and supporting documentation of damage report and claims assessment). Council expects property owners to have taken all reasonable care to have maximised insurance claims.
- **Repairs:** Auckland Council may make an allowance for insurance proceeds being spent on repairs to the property, subject to the property owner providing a supporting statutory declaration with satisfactory evidence of repair costs (if applicable).
- **Sale and Purchase Agreement:** Will include:
 - **Third party claims:** A warranty from the property owner that they have exercised reasonable care and diligence to make and settle any claims available against third parties relating to matters which contributed to the property's Category 3 status.
 - **Assignment of residual claims:** An assignment of all residual claims from settlement to council.
 - **Buy-back waiver:** Acknowledgement from the property owner that the property is not being taken for a public work and that the property owner waives any right to have the property offered back to it or its successor if the council later disposes of it.
 - **Chattels and property condition:** Acknowledgement from the property owner that the buy-out does not include the council purchasing chattels or home contents, and that the property owner will need to (to the extent possible), remove any belongings from the property, disconnect all utilities and leave it in a tidy state, free from rubbish at its cost in the usual way.

(h) **Settlement:** Settlement of the buy-out (payment, and transfer of title to Auckland Council). Property owners are responsible for paying all utilities and outgoings for their properties until settlement. The parties' lawyers will address wash-ups for items like rates and water charges at settlement as is usual practice.

Property owners must engage their own lawyer to assist with settlement of the sale process (like a normal house sale).

Once settled, the property will belong absolutely to Auckland Council, and the council will have the benefit of any further claims against insurers, consultants or others for damage

⁴ Auckland Council may reassess this where necessary for GST registered property owners.

or loss in respect of the property. Recovery of any such amounts will be for Auckland Council's benefit to off-set the council's cost of buying-out the property.

9. Dispute resolution

Auckland Council has established a dispute resolution process [LINK] for valuation disputes (e.g., if someone thinks Auckland Council's valuation is too low).

10. Special circumstances

At the request of a property owner, Auckland Council at its discretion will consider whether to make a departure from a buy-out position set out in these Scheme Terms.

Any decision to apply a different process or outcome will be made in accordance with the council's Guidance on the application of special circumstances [LINK], and will have regard to:

- (a) The nature of the special circumstances and the extent of (and any implications of) departure from the Scheme Terms.
- (b) The level of any increased cost to the council resulting from departure from the Scheme Terms.
- (c) Auckland Council's overarching policy objective to support Aucklanders to voluntarily relocate from residential housing situations on properties that pose an intolerable risk to their lives.
- (d) Auckland Council's further objectives guiding its policy approach. This will involve consideration of whether a departure from the Scheme Terms is Effective; Affordable; Fair and Consistent with policy intent; and Equitable.

11. Regulatory role

Nothing in the Scheme affects or limits any of Auckland Council's statutory and regulatory responsibilities. For example, irrespective of the buy-out status of a property:

- (a) Auckland Council is still required to manage property safety placarding and notation of LIMs.
- (b) None of Auckland Council's powers under the Public Works Act 1981 to acquire properties and undertake public works are limited.

12. Limitations

The Voluntary Buy-out Support Scheme is the total funding Auckland Council is making available for buy-out of severe weather events affected properties, and payments by Auckland Council are limited to payments under these Scheme Terms. No additional payments will be made.

Auckland Council does not accept any liability for remediation, compensation or infrastructure delivery to mitigate any other harm or loss arising from the severe weather events. The council will make separate decisions about its wider response to the severe weather events and ongoing mitigation works.

END

Note A

Guidance note for 'change of hands'.

Examples of 'changes of hands' after 26 January 2023 that would still be eligible:

- **Prior agreements:** Settlement of transactions (sale and purchase agreement, call/put options) that were entered into before the severe weather events.
Evidence: Statutory declaration that the transaction was entered into before the severe weather events.
Certified copy of original sale and purchase agreement/option agreement dated before the severe weather events.
- **Changes of trustees:** Transfers of ownership to new/replacement trustees of the same trusts.
Evidence: Certified copies of deed of retirement and appointment of trustees and relevant landonline transfer instrument.
- **Relationship property:** Transfers of relationship property.
Evidence: Certified copies of settlement agreement and/or court orders, and relevant landonline transfer instrument.
- **Death of an owner:** For the avoidance of doubt, a transmission of ownership following the death of one owner is not considered a change of hands for the purposes of this Scheme.

Note B

Guidance on Uninsured Individual Circumstances [[Link](#) or paste]

Proactively Released

ANNEXURE C – CATEGORY 3 VOLUNTARY BUYOUTS – TEMPLATE FOR PAYMENT REQUESTS (INCLUDING MONTHLY REPORTING)

To: The Crown and the Administrator
 From: Auckland Council

NORTH ISLAND WEATHER EVENTS (2023) – AUCKLAND CROWN FUNDING AGREEMENT: PAYMENT REQUEST NO. [●]

We refer to the North Island Weather Events (2023) - Auckland Crown Funding Agreement dated [*] 2023 between the Crown and Auckland Council (the **Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.

1. **Payment Request:** This is a Payment Request under the Agreement, including for the purposes of clause 2 of the General Terms.
2. **Payment Request Period:** The period to which this Payment Request relates is [calendar month] 20[23/24/25].
3. **Amount requested:** The total amount of the Financial Contribution requested in this Payment Request is \$[●], as calculated pursuant to paragraphs 4-6 below.
4. **Total forecast costs:** The total amount of the forecast Net Aggregate Costs for the Payment Request Period is \$[●], being the sum of the following:
 - (a) **Purchase prices and Mixed-Use Arrangement payments:** \$[●] of the above amount is the aggregate amount of the forecast gross purchase prices and Mixed Use Arrangement payments in respect of the Category 3 Properties the subject of the Payment Request and which are forecast to be or become due and payable by the Recipient (and are yet to be paid) during the Payment Request Period on account of Category 3 Voluntary Buyouts, of which \$[●] is payable on a 'plus GST' basis;
 - (b) **Transaction Costs in respect of Category 3 Properties:** \$[●] of the above amount is the aggregate amount of the forecast Transaction Costs in respect of the Category 3 Properties the subject of the Payment Request and which are forecast to be or become due and payable by the Recipient (and are yet to be paid) during the Payment Request Period on account of Category 3 Voluntary Buyouts, of which \$[●] is payable on a 'plus GST' basis; and
 - (c) **Insurance claims:** (in the event that any insurance claims are (or are purported to be) assigned) \$[●] of the above amount is the aggregate amount of Insurance Proceeds (if any) to be received in respect of those properties, of which \$[●] is receivable on a 'plus GST' basis.
5. **Monthly reconciliation:** In respect of the Payment Request Period for which the applicable Monthly Reporting Date fell immediately prior to the date of this Payment Request, being the Payment Request Period in respect of [calendar month] 20[23/24/25]:
 - (a) **Actual costs:** the actual costs of Category 3 Voluntary Buyout payments (including Mixed Use Arrangement payments) and Transaction Costs less actual receipts of Insurance Proceeds were \$[●], of which \$[●] is payable on a 'plus GST' basis;
 - (b) **Reporting Spreadsheet:** the accompanying spreadsheet is substantially in the form agreed between the Recipient and the Administrator and has been completed by the Recipient for the actual costs of Category 3 Voluntary Buyout payments in respect of that calendar month, and sets out the details required by clause 2.3(b) of the General Terms of the Agreement; and

- (c) **Reconciliation:** the forecasted costs funded for that calendar month were \$[●]. As a result of a comparison of the actual costs in (a) against those forecasted costs, the balance of \$[●] is to be [added to / subtracted from] the forecast costs claimed in this Payment Request.
6. **Net-off calculation:** As a result of netting off the forecast Net Aggregate Costs set out in paragraph 4, against the reconciliation amount set out in paragraph 5, the balance is \$[●]. Accordingly, the total amount of the Financial Contribution requested in this Payment Request (being 50% of that amount) is \$[●].
7. **Adjustments/corrections:** [●].
8. **Payment-related confirmations:** The Recipient confirms that:
- (a) **Calculations:** all amounts claimed in this Payment Request have been calculated consistent with the requirements of the Agreement;
 - (b) **Process:** each property the subject of the Payment Request is a Category 3 Property subject to the Nominated Buyout Methodology, it has followed the relevant aspects of the Nominated Categorisation Methodology and Nominated Buyout Methodology for each Category 3 Property in respect of which there are costs claimed in this Payment Request, and it has otherwise acted in the manner expected by the Agreement;
 - (c) **Co-funding:** for each Category 3 Property in respect of which there is a cost that is claimed in this Payment Request (and consistent with the Recipient and the Crown sharing equally in those costs):
 - (i) the Recipient will pay (from its own separate financial resources and not other Crown-sourced funds) an amount equal to the amount being claimed in this Payment Request on account of those cost;
 - (ii) by submitting this Payment Request, the Recipient confirms it has sufficient properly authorised and available funds to do so; and
 - (iii) the Recipient will only pay the Crown's Financial Contribution to the person owed the eligible cost amount at the same time as the Recipient pays its own funds on account of its share;
 - (d) **No duplication:** no amount claimed in this Payment Request has previously been claimed under an earlier Payment Request (except to the extent netted off in accordance with paragraph 6); and
 - (e) **GST:** if any amount claimed in this Payment Request is payable on a 'plus GST' basis, all other taxable supply information required for the purposes of section 19F of the Goods and Services Tax Act 1985 (as previously advised to the Recipient by the Crown, acting reasonably) accompanies this Payment Request.
9. **Reporting:**
- [If the Recipient intends to combine Payment Requests with monthly reporting, set out the remaining items from clause 4.2 of the General Terms (other than clauses 4.2(a)(i), (ii) and (vi) which are already captured above).]*
10. **Supporting records held:** The Recipient holds (and will retain, including available for viewing by the Crown or the Administrator, in the manner provided for in the Agreement) supporting documentation in respect of amounts claimed in this Payment Request (including preliminary agreements, sale and purchase agreements, Mixed Use Arrangement agreements, valuations and valuer's certifications, and bank records evidencing payments made).

11. **Other general confirmations:** The Recipient confirms that:

- (a) no suspension event or termination event is subsisting; and
- (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request; and
- (c) except to the extent otherwise agreed in writing by the Crown, each Financial Contribution paid to the Recipient under each previous Payment Request has been or will be applied (in full) for its intended purpose.

12. **Accurate and complete:** By signing below the [Chief Executive Officer / Chief Financial Officer] of the Recipient certifies that:

- (a) to the best of their knowledge and belief having made all reasonable enquiries, the matters contained in this Payment Request (including the accompanying materials) are accurate and complete as at the date of this Payment Request; and
- (b) upon request, they will provide (or procure the provision of) supporting evidence for each of those matters.

By and on behalf of the Recipient by: _____

Name:

[Chief Executive Officer / Chief Financial Officer]

Date:

Annexures D and E are withheld in full under section 9(2)(j).

ANNEXURE F – INVITATION LETTER FOR NRP FUNDING

5 October 2023

Wayne Brown
Mayor, Auckland Council
mayor.wayne.brown@aucklandcouncil.govt.nz

Dear Wayne

INVITATION TO SUBMIT PROPOSALS FOR NATIONAL RESILIENCE PLAN FUNDING

At Budget 2023 the Government established the National Resilience Plan (NRP) to support medium- and long-term infrastructure resilience. The objectives of the NRP are:

- enabling affected communities to build back better from the North Island Weather Events (NIWE);
- addressing the national infrastructure deficit; and
- ensuring critical infrastructure is resilient.

At Budget 2023 the Government set aside \$6 billion for strategic investments as part of the NRP. The immediate focus of the NRP is to support local authorities to make timely decisions on infrastructure investments as part of the Future of Severely Affected Locations (FOSAL) process.

As part of the FOSAL cost sharing discussions the Crown has committed to providing Auckland Council with a pre-allocation against the NRP of \$380m for category 2 risk mitigation investments and \$110m for a programme of local transport initiatives. An agreed indicative list of the projects from your region will be included in Annexure D and Annexure E of the NIWE Auckland funding agreement.

As agreed during the cost sharing discussions, when it is demonstrated that the projects meet project assessment criteria through the provision of satisfactory delivery plans, funding will be released from the NRP pre-allocation (through entry into a project-specific grant funding agreement with the Crown's Administrator).

I invite Auckland Council to submit delivery plans relating to each of its projects once the list of projects has been agreed and attached to the funding agreement. It is my expectation that much of the documentation that you prepare for your internal investment assessment processes will also be satisfactory for the NRP assessment process. Delivery plans should be fit for purpose, whereby simpler projects with few alternatives may require less comprehensive analysis than more complex projects.

I encourage you to take a programme level focus across all your category 2 investments when developing your delivery plans and consider resourcing and sequencing implications. You should also consider opportunities to group projects together into a single delivery plan where it would be sensible to do so. Information included in the delivery plans should be sufficient to provide confirmation that the following subjects have been adequately considered.

- **Priority:** the project should contribute to resilience to future risk of impacts from severe weather events and climate change in the areas affected by NIWE and flood mitigation projects should directly provide risk mitigation for FOSAL category 2 areas. Information should be provided explaining the prioritisation of projects across the region and how the particular project intersects with other NIWE work.
- **Value for money:** the project should represent good value for money, delivering greatest benefits for least cost. It is a requirement of NRP funding that a cost-benefit analysis be included in delivery

plans. The Government's expectation is that benefits exceed costs. Alternative options should be considered and a clear indication why the chosen option is optimal. Identification of initiatives should consider long-term risk from climate change.

- **Category 2 projects:** assessment of category 2 projects should take an area-based approach and include consideration of assets not owned by councils or residential property owners. Cultural values and other non-monetary costs and benefits can be considered. Alternative risk reduction options should be considered and a clear indication why the chosen option is optimal. The Council should use the PARA (protect, accommodate, retreat, avoid) framework to consider options. Identification of initiatives should consider long-term risk from climate change and seek to minimise maladaptation.

The delivery plan must also include information on the risk thresholds underpinning category 2 projects, the investment merit of the projects, and the prioritisation process councils have applied across the programme of work. The Crown expects that local councils will engage/consult with insurers as they develop their category 2 risk mitigation projects. Information must be provided on council's engagement with insurers and its efforts to maintain confidence on the insurability of projects affected by the NIWE and how the proposed project will achieve expected longer term flood risk mitigation benefits to maintain insurability of such projects. In particular, the delivery plans must address how the intervention will affect the ability of property holders to take up or maintain private insurance (including through the project delivery phase).

- **Alignment:** the project should be aligned to other activity that is planned or already being delivered.
- **Deliverability:** the project should include a clear delivery plan and appropriate delivery and funding milestones and provide confirmation that the relevant parties have the capability and capacity to deliver the initiative on time and within budget, including on cost-sharing arrangements. The council should outline how it intends to manage cost overruns noting that any cost overruns will be the responsibility of the Council and not the Crown or, for transport projects, the NLTF. The delivery plan should provide confirmation that the local authority has an asset management plan covering future responsibility for management of the asset and all associated costs. An independent post-investment review (either at a programme or project level) is a requirement of NRP funding.
- **Community and iwi/Māori engagement:** the project should demonstrate that engagement with relevant community, including iwi/Māori, has occurred.
- **Māori rights and interests:** the project should identify if it affects Māori land and/or Māori rights and interests. If so, it should confirm that appropriate engagement with iwi/Māori has been undertaken at the right stages. The initiative should identify any Māori needs and interests impacted by the proposal, including under the Treaty of Waitangi and Treaty settlements, and demonstrate how those interests will be provided for.

The Crown's appointed Administrator will be your primary point of contact for your risk mitigation projects. Once the Crown Administrator has been confirmed we will provide you with the relevant contact details. You should submit your delivery plan information directly to the Crown Administrator. It will review the information you provide and make a recommendation to the Chief Executive, Cyclone Recovery, who will seek Ministerial approval for funding to be provided.

Once a project has been approved, the Crown Administrator will enter into a project-level funding agreement with the Council, monitor delivery, and provide funding according to agreed milestones.

The Chief Executive, Cyclone Recovery will remain the lead implementation co-ordinator. Officials supporting the Chief Executive will attend quarterly governance meetings alongside the Administrator and will be involved in the resolution of disputes.

If you would like further information, please contact Katrina Casey, Chief Executive Cyclone Recovery (katrina.casey@dpmc.govt.nz).

Yours sincerely

Hon Grant Robertson
Minister of Finance

cc: Phil Wilson, Chief Executive, Auckland Council, phil.wilson@aucklandcouncil.govt.nz

Proactively Released

Attachment B: Summary of the benefits and assurance process for Auckland Council Category 2 risk mitigation projects

PDP proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Clover Drive	Clover Drive and Camphora Place (Henderson, Auckland) experienced severe flooding during the Auckland Anniversary Day floods in January 2023. The area was inundated with floodwaters up to 1.9 metres deep. 169 properties are in the floodplain, 89 of which are classified as high flood risk danger, while 10 were exposed to habitable floor flooding. Fifty-six properties have been classified as Category 3 and eligible for buyouts.	The proposed solution includes stream widening, raising ground levels, upgrades to Don Buck Road Bridge, creation of a blue-green corridor and a new footbridge.	It will reduce the number of properties with high flood risk danger down to zero and provide other significant benefits to property, power and transport infrastructure throughout the area.	The proposed solution will reduce the risk of flooding across 10 hectares of residential properties, as well as road flooding to Don Buck Road, Glen Road, Woodside Road, Clover Drive, Mayfair Place, Meadowcroft Way and Lincoln Garden Close.	The project will be monitored against the project schedule milestones and deliverables, by the National Infrastructure Funding and Financing Limited (NIFFCo) and the CRU until completion, which is expected in August 2027 for Stage One and June 2031 for Stage Two.	Medium. An appropriate contingency (30%) has been built in.
Wairau Stage One	Wairau experienced severe flooding during the Auckland Anniversary Day floods in January 2023. Almost 1500 properties are in the flood plain and need protection from future flooding events.	Stage One of the project will create a large new flood storage pond in AF Thomas Park and remove Woodbridge Lane Bridge to improve conveyance capacity.	The project will protect 19 properties from high flood risk danger, and provide significant flood resilience benefits to additional properties, along with power, water, wastewater and transport infrastructure.	The project will reduce overall flood risk for the community and unlock potential for future flood mitigation work to be delivered in the region.	Stage One of the project will be monitored against the project schedule milestones and deliverables, by NIFFCo and the CRU until completion, which is expected in September 2029.	Medium. An appropriate contingency of 30% has been built in.



Briefing

Ministerial Approval of Pump Station Upgrades Risk Mitigation Project under the Hawke's Bay North Island Weather Events (2023) Crown Funding Agreement

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date

24/03/2025

Priority level:

High

Purpose

1. This briefing seeks your approval to release funding of s9(2)(j) to upgrade three pump stations for which funding is allocated under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreements.


Recommendations

2. We recommend you:
 1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events 2023 (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, risk mitigation and local transport projects;
 2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
 3. **note** that National Infrastructure Funding and Financing Limited (NIFFCo) and Cyclone Recovery Unit (CRU) officials have reviewed the PDP submitted by the Hawke's Bay Regional Council (HBRC) and confirm that it meets the criteria for Crown funding;
 4. **approve** the HBRC request for s9(2)(j) in grant funding to upgrade pump stations; **YES / NO**
 5. **note** that in accordance with the NIFFCo Project Funding Agreements with the regional and local authorities, any funding paid

to a council by NIFFCo that is subsequently not spent will be returned to NIFFCo;

6. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise NIFFCo to release funds to the HBRC to deliver the project in accordance with agreed conditions and milestones; and
7. **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
24 March 2025
Mobile phone: s9(2)(a)

Hon Nicola Willis Minister of Finance /...../.....

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

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs) with the Crown. The regions are Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Wairarapa (Masterton District Council).

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU will hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions, and that the CRU will oversee the administration of the Crown's financial support to FOSAL-related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements (CFAs) by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland ²	447.350	319.650	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	534.05	587.150	487.593	1,608.793

- The Crown has commissioned NIFFCo to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and regional transport projects agreed with councils through cost sharing negotiations, and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

² On 13 March, we sent you a briefing requesting approval to reallocate \$176.743 million from Category 2 to Category 3 for Auckland. This table will be updated following your decisions.

Approvals process for Category 2 Projects

9. Category 2 Flood Risk Mitigation Projects are listed in the CFAs, including the type of project and indicative costs. The CFAs require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have approved the list of projects that are covered in the CFAs and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding when the PDPs are complete, and the detailed costs and outcomes are confirmed.
10. You have previously approved funding release for 55 NIWE PDPs, totalling \$709.759 million. Two further projects totalling \$85.625 million and a funding reallocation of \$176.743³ million from Category 2 to Category 3 for Auckland have been submitted for your approval. A summary of Category 2 risk mitigation and local transport project funding already approved for release is provided in **Table 2**.

Table 2: Category 2 and Local Transport Projects funding approved for release by region

Region	Category 2 Risk Mitigation Projects agreed in CFA (\$m)	Category 2 Risk Mitigation Projects approved (\$m)	Local Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	319.650	70.810	110.000	110.000
Hawke's Bay	203.500	87.366	252.593	252.593
Tairāwhiti	64.000	63.990	125.000	125.000
Total	587.150	222.166	487.593	487.593

11. After the current project is considered, only three projects will remain that require PDPs to be submitted for Ministerial approval for funding release. This will then fully allocate all funding across all categories for the three regions. The submission date for the remaining three projects (Stage Two of the Wairau and Whirinaki projects and Rapid Repair Level of Service additional work) will be early April 2025.

Summary of Pump Station Upgrades Project Delivery Plan for approval

12. Three critical land drainage pump stations located at Awatoto, Brookfield, and Pākōwhai suffered severe damage and failed during Cyclone Gabrielle. These pump stations need upgrading to cope with increased flows that would be expected in the event of future severe weather events. We recommend you approve funding of s9(2)(j) for the HBRC to undertake this project. The HBRC is contributing s9(2)(j) to the project.
13. NIFFCo has completed an assurance review to confirm that project criteria have been met to the required standards for Pump Station Upgrades for the Hawke's Bay Regional Council (HBRC).
14. Under the NIWE Hawke's Bay CFA, Crown funding is intended to contribute up to a maximum of 75.15% of the costs of the Category 2 Risk Mitigation projects and the Council funds the balance.
15. An A3 table summarising the benefits and assurance process for the project is included as **Attachment A**. The results of NIFFCo's assurance review are included in **Attachment B**.

³ This reallocation includes \$13.528 million of savings from projects already approved.

Financial implications

16. There are no financial implications associated with decisions in this paper. Funding for these projects has previously been appropriated for this purpose. If you agree the recommendations in this paper, payments will be able to be made from the appropriation.

CRU and NIFFCo recommend funding these two projects

Consultation

17. The Treasury has reviewed this briefing and supports the recommendations.
18. NIFFCo and CRU officials have reviewed the PDP and confirm that it meets the criteria for Crown funding set out in the NIWE Hawke's Bay CFA. We recommend that joint Ministers approve the release of Crown funding to support this project.

Next steps

19. If Ministers agree with the recommendation to approve the release of funding for this project, the Chief Executive Cyclone Recovery will write to NIFFCo to confirm that the project meets the criteria for Crown funding. NIFFCo will then release funds to the HBRC in accordance with agreed milestones.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefits and assurance for Pump Stations Upgrades	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Recommendation Report for Pump Station Upgrades: Awatoto, Brookfield and Pākōwhai	IN-CONFIDENCE UNCLASSIFIED

Attachment B is withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance for Pump Station Upgrades: Awatoto, Brookfield and Pākōwhai

Project Delivery Plan (PDP) proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Pump Station Upgrades: Awatoto, Brookfield and Pākōwhai	Three critical land drainage pump stations located at Awatoto, Brookfield, and Pākōwhai suffered severe damage and failed during Cyclone Gabrielle in February. These pump stations need upgrading to cope with increased flows generated in severe weather events.	The preferred and most economic option is to construct new pump stations adjacent to the existing facilities replacing all of the mechanical, electrical and civil infrastructure.	Increased resilience in the flood pump infrastructure will ensure their robust and reliable operation in the face of potential future extreme weather events. 292 properties covering an area of 2,482 hectares will directly benefit from the protection offered by the proposed improvements to the drainage pump stations, including 74 Category 2C properties that fall within the catchment areas served by the drainage schemes.	Three new flood pump stations will be constructed for Awatoto, Brookfield and Pākōwhai. Advanced telemetry systems will enable more resilient remote monitoring and control capabilities. Improved analytical capabilities will allow more effective analysis of performance data.	The project will be monitored against the project schedule milestones and deliverables, by NIFFCo and the CRU until completion, which is expected in December 2026.	Medium. An 11% contingency has been built in. The Hawke's Bay Regional Council intends to manage any cost overruns within the scope of the programme. s9(2)(j)



Briefing

Ministerial Approval of Final Risk Mitigation Projects under the North Island Weather Events (2023) Hawke's Bay Crown Funding Agreement

To: Hon Nicola Willis
Minister of Finance

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date

2/04/2025

Priority level:

Medium

Purpose

1. This briefing seeks your approval to release funding of \$102.591 million for three projects, for which funding is allocated under the North Island Weather Events 2023 (NIWE) Hawke's Bay Crown Funding Agreement (CFA). These are the final three projects for which funding release is being sought under these agreements. If you approve funding for these projects, this will fully allocate all Crown funding across all regions with NIWE CFAs.

Recommendations


2. We recommend you:
 1. **note** that the Crown has agreed to over \$1.6 billion in funding for regions with North Island Weather Events 2023 (NIWE) Crown Funding Agreements (CFAs) to support Category 3 buyouts, risk mitigation and local transport projects;
 2. **note** that all projects require councils to prepare a Project Delivery Plan (PDP), and joint Ministerial approval from the Minister of Finance and the Minister for Emergency Management and Recovery, before funding can be drawn down;
 3. **note** that National Infrastructure Funding and Financing Limited (NIFFCo) and Cyclone Recovery Unit (CRU) officials have reviewed the PDPs submitted by the Hawke's Bay Regional Council (HBRC) and confirm that they meet the criteria for Crown funding;
 4. **approve** the HBRC request for s9(2)(j) in grant funding to complete the Wairoa Flood Risk Mitigation project (which is additional to the s9(2)(j) you approved on 27 January 2025, to enable early land purchase for the project);

YES / NO

5. **note** that the cost of the Whirinaki Flood Management Scheme at s9(2)(j) is significantly more than the first estimate of s9(2)(j) in October 2023. The project requires an additional s9(2)(j), which includes s9(2)(j) Crown funding being sought from within the CFA funding envelope, and an additional s9(2)(j) to be contributed by the HBRC;
6. **note** that there is s9(2)(j) underspend in the Category 3 voluntary buyouts allocation in the NIWE Hawke's Bay CFA and the HBRC has requested reallocation of s9(2)(j) of this funding to meet the Crown's share of the Whirinaki Flood Management Scheme;
7. To meet the additional Crown costs for the Whirinaki Flood Management Scheme either:
- 7.1 **agree** to the HBRC request, supported by the Treasury and the CRU, to reallocate \$9.000 million from unspent Category 3 funding; **YES / NO**
- or**
- 7.2 **agree** to reallocate s9(2)(j) from the Rapid Repairs Level of Service project, and reduce the scope of that project; **YES / NO**
8. **approve** the HBRC request for s9(2)(j) in grant funding to complete the Whirinaki Flood Management Scheme; **YES / NO**
9. subject to your agreement of recommendation 7 above, either:
- 9.1 **approve** the HBRC request for s9(2)(j) in grant funding for the Rapid Repairs Level of Service project to undertake service upgrades at four sites (Treasury and CRU recommended option); **YES / NO**
- or**
- 9.2 **approve** the HBRC request for s9(2)(j) in grant funding for the Rapid Repairs Level of Service project to undertake service upgrades at three sites (with the Walker Road stop-bank removed from the project scope); **YES / NO**
10. **note** that in accordance with the NIFFCo Project Funding Agreements with the regional and local authorities, any funding paid to a council by NIFFCo that is subsequently not spent will be returned to NIFFCo;
11. **note** that if you approve funding the Chief Executive Cyclone Recovery will advise NIFFCo to release funds to the HBRC to deliver the projects in accordance with agreed conditions and milestones; and

12. **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
2 April 2025
Mobile phone: s9(2)(a) [REDACTED]

Hon Nicola Willis Minister of Finance
...../...../.....

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

Proactively Released

Background

- The Cyclone Recovery Unit (CRU) is coordinating the Future of Severely Affected Locations (FOSAL) implementation and support to regions affected by the 2023 North Island Weather Events (NIWE) that have entered into Crown Funding Agreements (CFAs). Agreements are in place for Hawke's Bay, Tairāwhiti, Auckland, Tauranga and Masterton.

Future of Severely Affected Locations (FOSAL)

- The FOSAL policy approach is a locally led, centrally supported process to address the future use of land that was severely affected by the NIWE. It is intended to reduce intolerable risk to life for people from extreme weather-related natural hazards by mitigating risk, and where those risks cannot be mitigated, moving people out of harm's way.
- The Crown has agreed to over \$1.6 billion of FOSAL funding support for councils in these regions to cover voluntary residential buyouts where the council assesses there is an intolerable risk to life, flood and landslip mitigation, and regional transport projects [DPMC-2023/24-457 refers].
- Ministers agreed that the CRU hold the overall lead and coordination responsibility for ongoing FOSAL implementation across affected regions and oversee the administration of the Crown's financial support to FOSAL related initiatives agreed with councils through cost sharing negotiations [EWR-23-MIN-0074 refers].

Funding and implementation

- Cost sharing arrangements with regional authorities have been formally agreed through the CFAs¹. The funding allocated for the NIWE affected regions is shown in **Table 1**.

Table 1: Crown Funding Agreements (CFAs) by region

Region	Category 3 Voluntary Buyout (\$ m)	Category 2 Risk Mitigation Projects (\$ m)	Regional Transport Projects (\$ m)	Total (\$ m)
Auckland ²	624.093	142.907	110.000	877.000
Hawke's Bay	67.500	203.500	252.593	523.593
Tairāwhiti	15.000	64.000	125.000	204.000
Masterton	2.500	-	-	2.500
Tauranga	1.700	-	-	1.700
Total	710.793	410.407	487.593	1,608.793

- The Crown has engaged National Infrastructure Funding and Financing Limited (NIFFCo) to administer the Crown's financial support to the cost share regions [DPMC-2023/24-375 refers]. This includes support for Category 3 buyouts, Category 2 risk mitigation projects and local transport projects agreed with councils through cost sharing negotiations, and projects funded from the Local Government Flood Resilience Co-investment Fund.

¹ There is also a Crown Funding Agreement with Nelson City Council relating to the Nelson severe weather event of August 2022 for \$12.3m. A similar PDP approval process was followed for the geotechnical projects covered by that agreement.

² On 24 March, you approved reallocation of \$176.743 million from Category 2 to Category 3 for Auckland. This table has been updated following your decisions.

Approvals process for risk mitigation and local transport projects

9. Risk mitigation projects and local transport projects are listed in the CFAs for Auckland, Tairāwhiti and Hawke's Bay, including the type of project and indicative costs. The CFAs require councils to provide concise business cases, Project Delivery Plans (PDPs), setting out project outcomes, costs, benefits, and key milestones for funding to be released. Ministers have approved the list of projects that are covered in the CFAs and funding has been appropriated. However, CFAs require further joint Ministerial approval, to release funding when the PDPs are complete, and the detailed costs and outcomes are confirmed.
10. You have previously approved funding release for 58 NIWE PDPs, totalling \$804.399 million. \$93.591 million is available in the Hawke's Bay risk mitigation projects allocation for the remaining three projects. A summary of risk mitigation and local transport project funding already approved for release is provided in **Table 2**.

Table 2: Risk mitigation and local transport project funding approved for release by region

Region	Risk Mitigation Projects agreed in CFA (\$m)	Risk Mitigation Projects approved (\$m)	Local Transport Projects agreed in CFA (\$m)	Regional Transport Projects approved (\$m)
Auckland	142.907	142.907	110.000	110.000
Hawke's Bay	203.500	109.909	252.593	252.593
Tairāwhiti	64.000	63.990	125.000	125.000
Total	410.407	316.806	487.593	487.593

11. If you approve funding release for these three projects, this will fully allocate all funding across all categories for the three regions. Note that the seven marae being relocated under the Whenua Māori and Marae Pathway (WMMP) will also require PDPs to be approved by Ministers. Relocation offers have been accepted for all seven marae, two of which have signed agreements in place, and work on the PDP for one of these has commenced.

Summary of Project Delivery Plans for approval

12. NIFFCo has completed an assurance review to confirm that project criteria have been met to the required standards for three projects for the HBRC. The three projects and associated Crown funding are shown in **Table 3**. An A3 table summarising the benefits and assurance process for the projects is included as **Attachment A**. The results of NIFFCo's assurance reviews are included in Recommendation Reports in **Attachments B, C and D**.

Table 3: Project funding requests

Project	Crown funding (\$ million)
Wairoa Flood Risk Mitigation	s9(2)(j) ³
Rapid Repairs Level of Service	s9(2)(j) ⁴
Whirinaki Flood Management Scheme	s9(2)(j) ⁵
Total funding sought	s9(2)(j)

³ This s9(2)(j) does not include the funding release of s9(2)(j) approved for the first stage of this project on 27 January 2025 (total Crown funding for this project is s9(2)(j)).

⁴ s9(2)(j) is to deliver the full scope of this project. If you decide to reallocate s9(2)(j) Crown Funding from this project to the Whirinaki Flood Management Scheme, this will reduce to s9(2)(j).

⁵ This s9(2)(j) does not include the funding release of s9(2)(j) approved for the first stage of this project on 27 January 2025 (total Crown funding for this project is s9(2)(j)).

Category 2 Risk Mitigation Projects

13. Under the NIWE Hawke's Bay CFA, Crown funding is intended to contribute up to a maximum of 75.15% of the costs of the Category 2 Risk Mitigation projects and the Hawkes Bay Regional Council (HBRC) funds the balance. The exception is the Wairoa Flood Risk Mitigation project, for which the Crown decided to fund 100% of the project.

Wairoa Flood Risk Mitigation

14. The Wairoa Flood Risk Mitigation project, to create a flood spillway and three stop-banks, is needed to provide protection to the North Clyde residents in the event of future high floods and to enable 627 properties to shift from Category 2C to Category 1. Eighteen potential flood mitigation options have been widely consulted on within the community, and because of the challenges in selecting an option that was acceptable to all stakeholders, more time than anticipated was needed to agree on the preferred option. Option 1C+ was chosen by the HBRC as being technically viable, having the most community support, and because it will have the least impact on whenua Māori and other residential properties. It can be delivered within a reasonable timeframe (by March 2027) and within the budget available.
15. On 27 January 2025, you approved funding release of s9(2)(j) for the first stage of the Wairoa Flood Risk Mitigation project, to enable early land purchase and/or access from property owners who were willing to enter into agreements, following selection (and approval) of the preferred option for the project.
16. The HBRC is requesting funding release of the full \$70.000 million allocated to this project in the NIWE Hawke's Bay CFA. We recommend you approve funding release of a further s9(2)(j) for the project, subject to the NIFFCo conditions outlined in the PDP.

Rapid Repairs Level of Service

17. Service upgrades are required across multiple sites where initial temporary or medium-term repairs were implemented immediately following the NIWE. Four sites (Waipawa, Brookfield, Omāhu and Walker Road) have been prioritised for upgrades.
18. The proposed works include increasing stop-bank heights at key points, ensuring riverside batters meet minimum gradients, and assessing and remediating vehicle access ramps on the riverside. The project will provide improved flood risk resilience to 1,367 properties covering an area close to 5,214 hectares. This area includes extensive farming and residential areas.
19. The HBRC is requesting funding release of s9(2)(j) to undertake this project.

Whirinaki Flood Management Scheme

20. The Whirinaki Flood Management Scheme is needed to provide the Whirinaki area with improved resilience against flood risks. It will allow 38 high risk Category 2C properties to be shifted to Category 1. It will also help safeguard critical network infrastructure such as power and communication systems and protect the Pan Pac industrial area.
21. The initial estimate for this project was s9(2)(j), with the Council anticipating that the New Zealand Transport Agency (NZTA) would fund the necessary costs of raising State Highway 2. However, while NZTA is supportive of the project, it is unable to fund a share of the costs due to higher priorities in the National Land Transport Programme.
22. The HBRC considered several options to achieve the necessary flood protection for Whirinaki, with the initial design estimated at over s9(2)(j). The HBRC, assisted by Aurecon and NIFFCo, has been able to identify an alternative solution that removes several high-cost elements while still providing the minimum protection needed. The revised costs are s9(2)(j), which is s9(2)(j) more than the funding provided in the CFA.

Based on the cost share agreement for risk mitigation projects, s9(2)(j) of this would be the Crown's contribution.

23. On 27 January 2025, you approved funding release of s9(2)(j) for the first stage of the Whirinaki Flood Management Scheme, to enable early land purchase and site preparation for the project. The HBRC is seeking a 75.15% Crown funding share of s9(2)(j) for the project (in addition to the s9(2)(j) already approved, i.e., total Crown funding of s9(2)(j)).

Options to meet the funding shortfall within current funding agreement

24. We have considered two options to provide the additional funding needed for Whirinaki within the current CFA Crown funding envelope. The first option (preferred by all five Hawke's Bay Councils and supported by the CRU and the Treasury) is to reallocate s9(2)(j) Crown funding from the unspent Hawke's Bay Category 3 allocation⁶. An additional s9(2)(j) will be contributed by the HBRC. All five Hawke's Bay Council Chief Executives have confirmed that the unspent Category 3 allocation will not be required as the categorisation process is complete in the region and the voluntary buyout programme is now closed (see Attachment E - Letter from Hawke's Bay Council Chief Executives in support of funding reallocation).
25. The alternative option is to move s9(2)(j) of the s9(2)(j) Crown funding allocated to the Rapid Repairs Level of Service project, to the Whirinaki project. The HBRC would contribute an additional s9(2)(j). This option would result in the Walker Road stop-bank works being descope.
26. The Walker Road stop-bank was repaired to what was a 1:100 Annual Exceedance Probability (AEP) standard following the breach that occurred during Cyclone Gabrielle. NIWA has since revised its flood modelling, and this stop-bank no longer meets this minimum standard. Should the Walker Road stop-bank works be removed from the CFA, the HBRC expects the work could not be undertaken for at least 10 years due to regional funding constraints, and there is a moderate risk that more severe weather events will occur during this time. This would leave three residential properties and 1920 hectares of highly productive land at risk of flooding.
27. If you do not agree to reallocate s9(2)(j) from Category 3 to Category 2 to fund the Crown share of the Whirinaki Flood Management Scheme, then the amount of Crown funding available for the Rapid Repairs Level of Service project would reduce to s9(2)(j) and the project will be descope to exclude Walker Road. The two options for funding both the Whirinaki and Rapid Repairs projects are summarised in **Table 4** below.

Table 4: Options for funding the Whirinaki and Rapid Repairs projects within current CFA

Options	Projects	Risk Mitigation Projects (\$ M)	Category 3 Reallocation (\$ M)	Total Crown Funding (\$ M)
Option One (recommended)	Whirinaki	s9(2)(j)		
	Rapid Repairs full scope			
Option Two	Whirinaki			
	Rapid Repairs excluding Walker Rd Stop-bank			

⁶ s9(2)(j) from the s9(2)(j) Category 3 voluntary buyouts allocation in the NIWE Hawke's Bay CFA is unspent and would be returned to the Centre if not reallocated to another project. If s9(2)(j) is reallocated to the Whirinaki Flood Management Scheme for the Crown's share of costs, the remaining s9(2)(j) would be returned to the Centre.

Financial implications

28. Funding for these projects has previously been appropriated. If you agree the recommendations in this paper, payments will be able to be made from the appropriation. Ministerial approval is required to move funding between categories. If you agree to reallocate s9(2)(j) from Category 3 to Category 2, then all projects can be fully executed.

CRU and NIFFCo recommend funding these three projects

Consultation

29. The Treasury has reviewed this briefing and supports the recommendations, including the preferred option to fund the increase in costs for Whirinaki flood management.
30. NIFFCo and CRU officials have reviewed the PDPs and confirm that they meet the criteria for Crown funding set out in the NIWE Hawke's Bay CFA. We recommend that joint Ministers approve the release of Crown funding to support these projects.

Next steps

31. If Ministers agree with the recommendation to approve the release of funding for these projects, the Chief Executive Cyclone Recovery will write to NIFFCo to confirm that the projects meet the criteria for Crown funding. NIFFCo will then release funds to the HBRC in accordance with agreed milestones.
32. Approval of these last PDPs is a significant milestone for the three regions in recovering from the NIWE. We will work with both your offices to prepare a draft press release acknowledging the approval of all 54 projects funded under the CFAs.

Attachments:	Title	Security classification
Attachment A:	Summary of the benefits and assurance for Hawke's Bay risk mitigation projects	IN-CONFIDENCE UNCLASSIFIED
Attachment B:	Recommendation Report for Wairoa Flood Risk Mitigation	IN-CONFIDENCE UNCLASSIFIED
Attachment C:	Recommendation Report for Rapid Repairs Level of Service	IN-CONFIDENCE UNCLASSIFIED
Attachment D:	Recommendation Report for Whirinaki Flood Management Scheme	IN-CONFIDENCE UNCLASSIFIED
Attachment E:	Letter from Hawke's Bay Council Chief Executives in support of funding reallocation	IN-CONFIDENCE UNCLASSIFIED

Attachments B, C, and D are withheld in full under section 9(2)(b)(ii) and section 9(2)(j).

Attachment A: Summary of the benefits and assurance process for Hawke's Bay Regional Council risk mitigation projects

PDP proposal	Why should this project be approved?	Why is this the right solution?	Benefits	Outcomes	How will we know the benefits have been delivered?	What is the risk of cost escalation?
Hawke's Bay Regional Council Wairoa Flood Risk Mitigation	Cyclone Gabrielle significantly affected the township and surrounding areas of Wairoa with North Clyde particularly impacted. North Clyde served as a secondary flow path for the Wairoa River, resulting in high velocity flooding of between 0.5m – 1.5m in depth. A total of 816 properties covering 378 hectares were partially or completely flooded and 627 properties were classified as Category 2C. A flood risk mitigation solution is needed to protect Wairoa from future flooding events.	18 potential flood mitigation options were identified and consulted on, with Option 1C+ being selected as the most technically viable, having the most community support, least impact on whenua Māori, alignment with budget available and ability to be delivered within a reasonable timeframe.	Option 1C+ will provide flood protection for the town during high and very high flooding events. It is estimated 816 properties in and around North Clyde will have increased flood risk resilience. This option will enable 627 properties to shift from Category 2C to Category 1.	The project has three flood protection components: 1. A 190-metre-wide flood spillway, 1.1 km in length, with stop-banks on either side, will be created in North Clyde to temporarily allow excess water through during flooding events. 2. A secondary stop-bank on the southern side of the river will be built to prevent floodwaters from spilling into Wairoa township. 3. Three houses will be raised.	The project will be monitored against the project schedule milestones and deliverables by the National Infrastructure Funding and Financing Limited (NIFFCo) until completion, which is expected in March 2027.	Medium. A 27% contingency has been built in.
Hawke's Bay Regional Council Rapid Repairs Level of Service	Cyclone Gabrielle significantly impacted Hawke's Bay with rivers rising rapidly and overtopping established stop-banks. Emergency repairs were made but further work is required to restore previous levels of service. This project involves upgrades to four prioritised sites, two in Central Hawke's Bay, and two that are part of the Heretaunga Plains Flood Scheme.	The proposed works include upgrading selected parts of the stop-banks (increasing stop-bank heights), ensuring riverside batters meet minimum gradients, and assessing and remediating vehicle access ramps on the riverside if required.	The proposed solution will provide improved flood risk resilience to 1,367 properties covering an area close to 5,214 hectares. This area includes extensive farming and residential areas. Brookfields and Waipawa components also have significant industrial and manufacturing areas.	The project will upgrade stop-banks to provide a minimum freeboard (height between the stop-bank and expected waterline) of 700mm. The level of service will protect against 1% AEP flood events, and protect infrastructure including roading, utilities and social amenities.	The project will be monitored against the project schedule milestones and deliverables by the NIFFCo until completion, which is expected in May 2027.	Medium. A 25% contingency has been built in.
Hawke's Bay Regional Council Whirinaki Flood Management Scheme	During Cyclone Gabrielle, flood waters overtopped stop banks and overwhelmed local flood defences in Whirinaki. One child died, 38 residential properties were designated Category 2C, the Pan Pac Forest Products site was flooded and damaged and the Contact Energy power station and Transpower substation at Whirinaki were damaged, with power supply lost. A flood management scheme is needed to provide protection against future flooding events.	The proposed solution will provide residential properties protection against future flood events and will help safeguard the functionality of essential network infrastructure such as power transformers and communication systems.	The Flood Management Scheme is designed to provide the Whirinaki area with improved resilience against flood risks and allow 38 Category 2C properties to be shifted to Category 1.	The scheme has two flood protection components, a residential stop-bank will be built and the industrial stop-bank will be upgraded. In addition, flood risk mitigations will be provided at the Petāne Urupa consisting of a 1.5m wall around the Urupa. The residential stop-bank will provide the residential properties resilience against flood events up to a 1:100-year Annual Exceedance Probability (1% AEP). The industrial stop-bank will have a level of service capable of providing the Pan Pac Forest Products site, the Contact Energy power station and the Transpower substation resilience against flood events with a 1:500-year AEP.	The project will be monitored against the project schedule milestones and deliverables by the NIFFCo until completion, which is expected in March 2027.	Medium. Project contingency is 29% of construction costs.



17 March 2025

Katrina Casey
Chief Executive
Cyclone Recovery Unit
Department of Prime Minister and Cabinet
By email: Katrina.Casey@dpmc.govt.nz

Tēnā koe Katrina,

NIWE Hawke's Bay Crown Funding Agreement – Shifting of Category 3 Funding to Category 2 – Whirinaki Flood Protection Works

Thank you for your work on funding issues associated with the Whirinaki flood protection project.

Further to your discussions with Andrew Caseley and Ross McLeod on Friday 14 March 2025, we have had discussions with respect to the option of utilising unspent Crown Funding for Category 3 property buyouts to fund a Crown contribution to increased costs associated with the Whirinaki flood protection project.

We understand the situation and proposed option to be as follows:

- the estimated cost of the flood protection project at Whirinaki has increased from s9(2)(i) meaning a further s9(2)(i) needs to be found to enable the project to proceed and prevent the Category 2c houses moving to category 3 (with a cost estimated at s9(2)(i)).
- one option being considered is to fund the s9(2)(i) needed by taking s9(2)(i) from the Crown funds allocated to Category 3 property buyouts under the NIWE Hawke's Bay Crown Funding Agreement with the HBRC making an additional s9(2)(i) contribution (maintaining the 75:25 funding split).
- The Crown allowed s9(2)(i) in funding for Category 3 property buyouts across Napier and Hastings, including s9(2)(i) in contingency over and above the funding needed to match the s9(2)(i) budgeted by Hastings and Napier Councils.
- Napier and Hastings Councils have essentially completed the buyout programme under budget.
- There is likely to be more than s9(2)(i) unspent in the Crown funding allocation.
- If the Category 3 funding is unspent by 30 June 2025 it is likely to be returned to the Crown and lost to the region.
- There are few remaining properties (the majority of which are also eligible under the Kaupapa Māori pathway) still eligible for a buyout and sufficient budget available to accommodate any that opt for a buyout.
- If the Whirinaki project can proceed, there are no other properties expected to move from Category 2 to Category 3.

- An alternative option to the use of the Category 3 funds would be to reprioritise other Category 2 projects (likely Rapid Stopbank enhancements) meaning those works could take longer and leave parts of the region at risk for longer – we prefer the use of Category 3 funds to this alternative.

You have asked for a regional view on shifting s9(2)(j) from the Category 3 funding allocation to Category 2. As the signatories to the Crown Funding Agreement, **our Councils strongly support the shifting of s9(2)(j) in Category 3 funding to Category 2 for use on the Whirinaki project.**

We see significant upside for the region in this approach. It enables a key flood protection risk to be addressed, reduces the risk of further Category 3 costs, helps maintain the resilience of the critical SH 2 economic, service and lifeline link to Wairoa and provides enhanced protection for Pan Pac, a large employer in the region. We also note there is budget remaining in the Category 3 Crown funding to meet the Crown share of any eligible category 3 properties that might still opt for a buyout.

Ngā mihi,



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Chief Executive
Napier City Council



Nigel Bickle
Chief Executive
Hastings District Council



Doug Tate
Chief Executive
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