



17 October 2025



Ref: OIA-2025/26-0174

Tēnā koe ,

Official Information Act request relating to the Local Government Flood Resilience Co-Investment Fund

Thank you for your Official Information Act 1982 (the Act) request of 26 August 2025. Your request was partially transferred to the Department of the Prime Minister and Cabinet (DPMC) on 3 September 2025. Your request to the Department of Internal Affairs (DIA) was for:

"I am requesting the following information related to the \$100 million "Local Government Flood Resilience Co-Investment Fund", as described under the "Initiatives for North Island Weather Events Response and Recovery Package" in the 2023 Budget:

- 1. All Cabinet papers, Ministerial briefings, internal advice, or other documents that supported or informed the creation of this Fund.*
- 2. Any documents that outline the purpose, scope, criteria, or proposed mechanisms for how the funding will be allocated or accessed*
- 3. Any documents relating to the eligibility criteria for the fund,*
- 4. Any material prepared for or by the Minister of Local Government, Minister for Regional Economic Development, Minister for Climate Change, or Minister of Finance, relating to the joint agreement required to draw down the tagged contingency.*
- 5. Any documents that confirm approval or agreement to the use of the fund, if that has occurred."*

On 30 September, we wrote to you extending the time limit for response by 21 working days, to 31 October 2025. The additional time was needed to complete consultations before a final decision was made on your request. I am now in a position to respond.

Cyclone Recovery Unit in DPMC

The transfer of your request from DIA covers any relevant DPMC information. The Cyclone Recovery Unit (CRU) was a business unit within DPMC that supported the functional Chief Executive, Cyclone Recovery hosted by DPMC to lead and coordinate the government's recovery work programme following the North Island Weather Events (NIWE) of early 2023. The NIWE included Cyclones Hale and Gabrielle, and the Auckland Anniversary Weekend flooding. The functional Chief Executive, Cyclone Recovery ended in June 2025 and the CRU was disestablished. DPMC continues to hold information relating to the Local Government Flood Resilience Co-Investment Fund.

Prior to being disestablished, advice and Cabinet documents were published on DPMC's website to ensure ongoing access to and transparency of the information that had been generated by this work. Information held by DPMC is included in the briefings, Cabinet papers and other documents that DPMC has published on our website. Where this is the case, links to those documents have been provided.

Background to the Local Government Flood Resilience Co-Investment Fund

As part of Budget 2023, the DIA received \$100 million in funding to establish a Local Government Flood Resilience Co-Investment Fund (the Fund). Following the NIWE, this fund was rescoped and reprioritised to focus only on regions impacted by these weather events.

The Fund allowed Councils in areas impacted by the NIWE to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk and allowed local authorities to manage near-term costs associated with the recovery.

On 9 May 2023, Ministers agreed that the design of the Fund be progressed in conjunction with the Future of Severely Affected Locations (FOSAL) work. On 11 August 2023, a briefing was sent to the Minister for Cyclone Recovery and the Associate Minister for Cyclone Recovery, seeking agreement to areas of focus, assessment criteria, and a phased decision-making process to enable an initial tranche of funding decisions to be made. The Fund provided financial support of \$62.88 million for 34 projects across 15 councils.

The Fund was also used for other priority recovery initiatives that did not otherwise have a funding source, including Category 3 voluntary buyouts outside Auckland, Tairāwhiti and Hawke's Bay, urgent funding for sediment and debris removal in Hawke's Bay, and a contribution to the Northland Emergency Centre. The remaining balance of \$3.898 million was redirected to top up a Budget 2024 initiative (the Cyclone Recovery Capability Fund).

Originally all projects were to be completed by 30 June 2025, however several councils experienced delays and, in December 2024, joint Ministers agreed that councils could have up to an additional six months to complete the work if needed. As of early June 2025, 13 projects were completed, with a further nine projects on track for completion by 30 June. The remaining projects were granted an extension until 31 December 2025.

More detailed background information and context is provided in Item 1 of the documents released to you.

Information identified as relevant to Parts 1, 2, 4 and 5 of your request

Parts 1, 2, 4 and 5 of your request are for Cabinet papers, briefings and other documents about the creation, purpose, allocation, access to and use of the Fund. We have identified DPMC documents relevant to one or more of these parts of your request.

Please find attached DPMC documents relevant to your request as set out in the table below. Documents have either been released to you in the attached PDF or, where these are already publicly available, we have provided you with links to the relevant documents.

As noted in your question, the Fund was created as part of Budget 2023. The relevant Budget 2023 documents are published on The Treasury website, as included in the table below.

Item	Date	Reference or Description	Title and Website Link (where already published)	Information Withheld
	11/04/2023	CAB-23-SUB-0140	Cabinet Paper setting up fund: <i>Budget 2023: North Island Weather Events Initial Package</i> Link to PDF: www.treasury.govt.nz/sites/default/files/2023-08/b23-cab-23-sub-0140-4799716.pdf	Released in full

Item	Date	Reference or Description	Title and Website Link (where already published)	Information Withheld
	July 2023	Budget 2023 Information Release	Vote Internal Affairs (North Island Weather Events Initiatives): www.treasury.govt.nz/sites/default/files/2023-08/b23-frs-intaff-niwe-4779632.pdf	Relevant parts released in full.
Item 1	30/06/2025	Extract from Cyclone Recovery Unit handover notes	Part E: Cyclone Recovery Unit Financial Accountability and Reporting Activities Handover Guide for DPMC	Some information withheld under: 9(2)(a)
Item 5	27/09/2023	DPMC-2023/24-396	Briefing: Appropriations approval to drawdown \$10 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Task Force	Some information withheld under: 9(2)(a)
Item 6	7/11/2023	DPMC-2023/24-478	Briefing: Appropriations approval to drawdown \$10 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to end of November 2023	Some information withheld under: 9(2)(a)

As noted in the table above, and on the documents themselves, some information has been withheld under section 9(2)(a) of the Act, to protect the privacy of individuals.

Documents relating to the eligibility criteria for the fund

Part 3 of your request was for information about the eligibility criteria for the Fund. DPMC documents identified as relevant this part of your request are set out in the table below. These have either been released to you or, where these are already publicly available, we have provided you with links to the relevant documents.

Item	Date	Reference or Description	Title and Website Link (where already published)	Information Withheld
	9/10/2025	Published previous response to an official information request (from 26 June 2025). Eligibility criteria for the Fund can be found from page 18 onwards.	Email from CRU to various councils with attachments relating to the Fund: "Guidance for agencies to develop advice on funding decisions" and "Information for near-term initiatives proposed for funding". The response can be found on the DPMC website at: www.dPMC.govt.nz/sites/default/files/2025-07/dPMC-roia-oia-2024-25-0953.pdf	Some information withheld under: 9(2)(a)

Item	Date	Reference or Description	Title and Website Link (where already published)	Information Withheld
Item 2	13/07/2023	DPMC-2023/24-59	Aide-Memoire: Allocating the Local Government Flood Resilience Co-Investment Fund	Some information withheld under: 9(2)(a) 9(2)(b)(ii)
Item 3	11/08/2023	DPMC-2023/24-116	Briefing: Template, criteria and timeline for allocating the Local Government Flood Resilience Co-Investment Fund	Some information withheld under: 9(2)(a)
Item 4	13/09/2023	DPMC-2023/24-287	Briefing: Local Government Flood Resilience Co-Investment Fund – Funding Recommendations	Some information withheld under: 9(2)(a) 9(2)(b)(ii)
Item 7	14/12/2023	DPMC-2023/24-510	Briefing: Local Government Flood Resilience Co-investment Fund: Tranche 2 funding recommendations	Some information withheld under: 9(2)(a) 9(2)(b)(ii)
Item 8	06/12/2024	DPMC-2024/25-473	Briefing: Local Government Flood Resilience Co-investment Fund: Extension of project timeframes and proposed funding for Northland	Released in full.
	16/04/2024	DPMC-2023/24-1071	<p>Briefing: Drawdown from the Local Government Flood Resilience Co-Investment Fund</p> <p><i>Briefing is from Pages 51-56 of the PDF.</i></p> <p><i>CRU Briefings from 24/07/2023 to 2/04/2025</i></p> <p>DPMC Webpage: www.dPMC.govt.nz/publications/proactive-release-cyclone-recovery-unit-briefings</p> <p>Link to PDF: www.dPMC.govt.nz/sites/default/files/2025-07/pr-cyclone-recovery-unit-briefings.pdf</p>	Some information withheld under: 9(2)(a)

As noted in the table above, and on the documents themselves, some information has been withheld under the following sections of the Act:

- 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

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

Where information in scope of your request is already publicly available, your request has been refused in relation to that information under section 18(d) of the Act.

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

This response will be published on the Department of the Prime Minister and Cabinet's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Nāku noa, nā



Alan Cassidy
Deputy Chief Executive, Corporate

7. Local Government Flood Resilience Co-investment Fund (Flood Resilience Fund)

7.1 What is the Flood Resilience Fund

As part of Budget 2023, a \$100 million fund was established for local authorities in areas impacted by the recent North Island Weather Events to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk. Funding was allocated for projects approved before 30 June 2024 and to be completed by 30 June 2025.

On 9 May 2023, Ministers agreed that the design of the Local Government Flood Resilience Co-investment Fund be progressed in conjunction with the Future of Severely Affected Locations (FOSAL) work [DIA ref: LG202300571].

On 11 August 2023, a briefing was sent to the Minister for Cyclone Recovery and the Associate Minister for Cyclone Recovery seeking agreement to areas of focus, assessment criteria, and a phased decision-making process, to enable an initial tranche of funding decisions to be made from the Flood Resilience Fund [#4777816].

The Fund provides financial support of \$62.88 million for 34 projects across 15 councils. Four of these projects were determined to be Category 2P Risk Mitigation Projects and that funding was transferred into the North Island Severe Weather Events (MYA Expense) appropriation.

The fund was also used for other priority recovery initiatives that did not otherwise have a funding source, including Category 3 voluntary buyouts outside Auckland, Tairāwhiti and Hawke's Bay (also transferred to the North Island Severe Weather Events (MYA Expense) appropriation), urgent funding for sediment and debris removal in Hawke's Bay and a contribution to the Northland Emergency Centre. The remaining balance \$3.898 million was redirected to top up a Budget 24 initiative (the Cyclone Recovery Capability Fund).

Originally all projects were to be completed by 30 June 2025, however several councils experienced delays and in December 2024 joint Ministers agreed that councils could have up to an additional 6 months to complete the work if needed. As of early June 2025, 13 projects were completed with a further 9 projects on track to complete by 30 June. Remaining projects were granted an extension.

Information about the key decisions, and a comprehensive overview are in iManage in the Local Government Flood Resilience Co-Investment Fund [PMC-CRU-5-9-3] folder.

Table 10.1 sets out how the fund has been allocated. Note that the Category 2 Risk Mitigation and Category 3 buyouts funding was moved into the FOSAL North Island Severe Weather Events appropriation. These two funding categories have confirmed underspends of \$12.708 million.

These underspends have not been drawn down by NIFFCo and can be returned when the appropriation is closed, unless Ministers decide to redirect this to another initiative.

The remaining underspends will be returned to the Crown by DPMC once all projects are complete.

IMPORTANT NOTE: On 11 December 2024 joint Ministers agreed that \$1.03 million of underspend for the Egret Avenue project in Tauranga could be redirected to extend the scope of the existing Northland Regional Council Flood-resilient Māori Communities and Marae project to provide small scale flood mitigation measures for 17 marae. The Egret Ave project was one of the

four for which funding was moved to the North Island Severe Weather Events MYA.

At that point the \$1.03 million should have been returned back to the Flood Resilience Projects MYA but this did not occur, and the funding remains in the North Island Severe Weather Events MYA (until expiry at 30 June 2028).

NIFFCo has drawn down all remaining funding for Flood Resilience projects in the Flood Resilience Projects MYA. It is likely that further underspends will eventuate across the remaining projects which will to cover the shortfall (over \$800,000 in underspends is already forecast). However, if this does not happen it may be necessary to move funding from the North Island Severe Weather Events MYA as per the joint Ministers' decision. NIFFCo will advise if actioned is required closer to project end dates.

Table 7.1: Flood Resilience Fund Allocations and Confirmed Underspend (as at 30 June 2025)

Funding Categories	Original Funding Approved (\$m)	Confirmed Underspend (\$m)	Funding committed or paid out @ 30 June 2025 (\$m)
30 local government flood resilience projects	53.041	-1.900	51.141
4 Category 2 Risk Mitigation Projects	14.524	-7.462	11.062
Total of 34 Flood Resilience projects	67.565	-9.362	58.203
Category 3 buyouts - Tauranga and Masterton	4.200	-1.946	2.254
Category 3 buyouts - other councils (not required)	3.300	-3.300	-
Sediment and debris in Hawke's Bay	20.000	-	20.000
Northland Emergency Centre	1.037	-	1.037
Budget 24 Capability fund top up	3.898	-	3.898
Total	100.000	-14.608	85.392

Of the \$14.608 million confirmed underspend, \$1.900 million has already been returned to the Crown as part of the 2025 March Baseline Update. The residual \$12.7 million underspend will

remain within the NIWE Non-Department Output Expenses multiyear appropriation which transfers to DIA at 1 July 2025.

7.2 How the Flood Resilience Fund was allocated

Tranche 1

In August 2023 the terms of the fund, including eligibility criteria, were agreed and officials processed a first tranche of proposals for consideration. In Tranche 1, Ministers agreed to allocate \$38.759 million from the fund to support 16 initiatives in six of the affected regions. The Chief Executive, Cyclone Recovery engaged National Infrastructure Funding and Financing, (previously known as Crown Infrastructure Partners), to administer the funding and monitor delivery.

The first tranche of funding approvals was progressed quickly to allow work to get underway during the 2023/24 summer construction season. The timing meant some projects were not submitted because councils were waiting for engineers and geotechnical availability to assess options and determine whether to progress a FOSAL categorisation process [#4795712].

Tranche 2

In September 2023, NIWE affected councils were invited to submit applications for a second funding round. Local authorities submitted 35 initiatives seeking a total of \$73.714 million from the Flood Resilience Fund. Proposals were received from seven of the eight NIWE-affected regions. In early December Ministers approved fully funding 16 initiatives and partially funding one [#4841147].

Table 7.2: Flood Resilience Fund Tranche 2

Initiative type	Number	\$ million
Flood Mitigation Projects	13	\$12.281
FOSAL Category 2P	4	\$14.524
Total	17	\$26.81

There were 13 flood risk mitigation initiatives which aligned to the Fund purpose and criteria. A further four FOSAL Category 2P support initiatives did not strictly adhere to the purpose of the tagged contingency but otherwise strongly aligned with the fund criteria. These initiatives mitigate risk to life by supporting property level interventions. Funding for these FOSAL initiatives was transferred to the NISWE multi-year appropriation.

Auckland Flood Resilience project

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 [100-24-MIN-0008 [#4855550]]. This brought the total number of flood resilience projects to 34.

A full list of approved projects by Council and completion date is provided in Appendix D.

Hawke's Bay return of funding for Waipawa Stop bank

On 24 July 2024, the Cabinet Economic Policy Committee agreed that \$1.900 million allocated from the Local Government Flood Resilience Co-Investment Fund to build a 3-meter stop bank around the Waipawa Water Treatment Plant be returned to the Crown. [ECO-24-MIN-0135 [#4925058]]. The decision was made to instead relocate the Water Treatment Plant to higher ground with funding from the Hawke's Bay NIWE Crown Funding Agreement.

7.3 Other initiatives funded from the Flood Resilience Fund

The Local Government Flood Resilience Co-investment Fund was also used to provide financial support to councils for other priority initiatives where there was no alternative source of funding.

Hawke's Bay Sediment and Debris

The government made an initial \$148.2 million available to the Hawke's Bay Region to clear and treat sediment and debris generated by NIWE. In September 2023 the Chief Executives of the Hawke's Bay Regional Council and the Hastings District Council wrote to Ministers with an urgent request for additional funding to allow sediment and debris work to continue. Ministers approved \$10 million from the Local Government Flood Resilience Co-Investment fund to support this work [#4781058]. They subsequently approved a further \$10 million from the fund on 7 November 2023 [#4954126].

This additional funding was provided on condition the Hawke's Bay region would not receive any further funding for any purpose from the Local Government Flood Resilience Co-Investment Fund and any further Crown funding towards sediment and debris removal in the region has a contribution from the regional council.

Northland Coordination Centre

In early 2024 Ministers approved \$1.037 million from the Local Government Flood Resilience Co-Investment Fund as a contribution towards building a new multi-agency coordination centre for the Northland region [100-24-MIN-0008 [#4855550]]. The funding was paid directly to Northland Regional Council from the allocation.

Category 3 Buyouts for non-cost share regions

In March 2024, Ministers approved \$7.5 million of Flood Resilience Funding for the Crown's 50% share of Cat 3 buyouts in NIWE-affected regions where a cost-sharing agreement had not yet been agreed [100-24-MIN-0008 [#4855550]]. Masterton received \$2.5 million of this funding and Tauranga received \$1.7 million. The remaining \$3.300 million was returned in June 2025. The funding is administered by NIFFCo.

Additional funding for two Northland projects

On 11 December 2024, Ministers approved funding of up to \$0.490 million from the Flood Resilience Fund for one Northland property at risk from future weather events. Funding was not released to the Council as it was subsequently determined that the property did not qualify for Category 2P financial support.

At the same time an additional \$1.030 million was approved to extend the scope of the existing Flood-resilient Māori Communities and Marae project to provide small scale flood mitigation measures for 17 Marae in Northland [#4960003].

Top up of Capability Funding (Budget 2024)

In Budget 2024, \$20.00 million was appropriated to Continued Recovery from the North Island Weather Events. \$3.898 million of this funding was transferred from the balance of the Local Government Flood Resilience Co-Investment fund [CAB-24-MIN-0148.62 [#4977674]].

7.4 Flood Resilience Fund Project Extensions

In December 2024 Ministers approved an extension of time frames for Flood Resilience Fund projects that may not be completed by June 2025 for up to six months to 31 December 2025 [#4960003]. Extension requests were approved by the Chief Executive Cyclone Recovery in line with the Ministers’ decision. Confirmed project end dates are provided in Appendix D.

7.5 Flood Resilience Fund Status at 30 June

A full funding reconciliation was carried out with NIFFCo in June 2025. All remaining funding has been fully drawn down by NIFFCo, which will administer payments to councils for the remaining projects.

NIFFCo will complete a final reconciliation once the last Council payment requests are received by no later than early April 2026. At this point NIFFCo will return any underspends to DPMC so that it can be returned to the centre by CASS Finance.

NIFFCo’s Project Manager Infrastructure Delivery s9(2)(a) has a copy of the Draft Closure Report and will update this as projects complete. She will return this to DPMC in April 2026 so that it can be finalised and submitted to the Minister for Emergency Management and Recovery. If the closure report was released care would need to be taken to protect Councils’ procurement negotiations and the relevant Councils would need to be consulted on the document(s) proposed to be release. The following table outlines the actions that DPMC SGE need to take post 30 June 2025.

Table 7.5 Local Government Flood Resilience Co-Investment Fund (the Flood Resilience Fund) Actions

A	DPMC SGE to facilitate the return of any underspends from NIFFCo to the Crown. NIFFCo will complete the final reconciliation.	April 2026
A	DPMC SGE to provide the final Local Government Flood Resilience Co-Investment Fund Closure Report to the Minister for Emergency Management and Recovery [#5029523].	April/May 2026



Coversheet

Aide-Mémoire: Allocating the Local Government Flood Resilience Co-investment Fund

Date:	13/07/2023	Report No:	DPMC-2023/24-59
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	[Routine]

		Action sought	Deadline
Hon Grant Robertson Minister for Cyclone Recovery		To note	
Hon Barbara Edmonds Associate Minister for Cyclone Recovery			

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): Min of	s9(2)(a)

Departments/agencies consulted on Briefing
The Treasury, the Ministry for the Environment and the Department of Internal Affairs were consulted on this briefing

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Aide-Mémoire

Allocating the Local Government Flood Resilience Co-Investment Fund

To:	Hon Grant Robertson Minister for Cyclone Recovery		
	Hon Barbara Edmonds Associate Minister for Cyclone Recovery		
From:	Katrina Casey, Chief Executive Cyclone Recovery	Date:	13/07/2023
Briefing Number:	DPMC-2023/24-59	Security Level:	IN CONFIDENCE UNCLASSIFIED

Purpose

1. This aide-mémoire provides an update on identifying potential recovery quick wins for areas affected by the North Island Weather Events (NIWE) that could be supported by funding from the Local Government Flood Resilience Co-investment Fund.

Background

2. As part of Budget 2023, the Department of Internal Affairs (DIA) received \$100 million in operating funding “for local authorities in areas impacted by the recent North Island Weather Events to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.” This funding is held in a tagged contingency, the Local Government Flood Resilience Co-investment Fund (the Flood Resilience Fund), which expires on 30 June 2024.
3. On 9 May, Ministers agreed that the design of the Flood Resilience Fund be progressed in conjunction with FOSAL work. Subsequent decisions on 24 May confirmed that funding would be provided through the FOSAL category 2 process, with contributions subject to consideration of business cases.
4. In a meeting with the Treasury on 30 June, you asked officials to ensure that the Flood Resilience Fund would be made available to local authorities to manage near-term costs associated with FOSAL.
5. The Cyclone Recovery Unit (CRU) received a first round of Regional Recovery Plans (RRPs) from local authorities in NIWE-affected areas at the end of June. On 7 July, the CRU provided you with an overview of the RRP received to date [DPMC-2022/23-18].
6. Since providing this briefing, CRU officials, working with the Treasury, the Ministry for the Environment (MfE) and DIA, have been considering whether some of the RRP initiatives could deliver quick wins if provided an immediate contribution from the Flood Resilience Fund.

7. Meanwhile, the inter-agency funding triage panel¹ met on 12 July. The focus of the initial meeting was to canvass the highest priority initiatives in the RRP, which included discussion of projects that might be channelled into the Flood Resilience Fund process.
8. The Treasury and MfE are preparing advice for Cabinet Extreme Weather Recovery Committee on 26 July. This includes advice on central government support for FOSAL category 2 interventions, including a proposal for a regionally focused business case process that will align with both RRP and National Resilience Plan funding processes.

Regional Recovery Plans identify some potential quick wins, but details are limited

9. As noted in the briefing provided to you on 7 July, the RRP received had some significant information gaps [DPMC-2022/23-18].
10. The lack of detailed information has made it difficult to assess the potential for using the Flood Resilience Fund for quick win initiatives. In many cases the RRP only provided a single-line description, so further work and information is needed to determine to what degree an initiative would provide for reinstating existing flood protections, or whether there is also an element of increasing community resilience. There was also an absence of cost information provided in all but two of the RRP.
11. The CRU has been engaging extensively with councils since receiving the RRP to try and obtain additional information, particularly cost estimates and sequencing. We have encouraged councils to identify specific initiatives that may be suitable for near-term funding. Building a more complete picture is an ongoing process that will develop further as councils are able to provide us with additional detail. It will also be important to determine that the flood mitigation proposals are focused on addressing the issues affecting category 2 areas, rather than more general flood mitigation.
12. More information is being received every day – examples of information received in the past two days from Hawke's Bay and Northland are in appendix 1.
13. Officials have been considering the initiatives identified in the RRP and subsequent information provided by councils to determine what may be in scope for Flood Resilience Funding. Initial assessment of the initiatives is considering:
 - Priority – is the initiative directly related to urgent NIWE recovery, in particular Category 2 mitigation?
 - Deliverability – do the costings indicate that the initiative is a discrete project that can be delivered in the 2023/24 financial year?
 - Betterment – is it contributing to improved community flood resilience (i.e., at least some degree of betterment over and above like-for-like repairs (which are a call against the 60/40 CDEM fund))
14. This process has produced a relatively limited number of initiatives that could be considered as quick wins – although more are likely to be identified as councils provide additional information.
15. An example of potential initiatives for Tairāwhiti (who provided the most complete costing information in their RRP) is provided below. The majority are relatively small, quick-to-deliver projects.

¹ The funding triage process was agreed by EWR on 21 June 2023 [EWR-23-MIN-0049].

Tairāwhiti Flood Hazard Assessment and Flood Monitoring Initiatives	Proposed 2023/24 funding (\$m)
PREPAREDENESS – MONITORING	
Expand flood monitoring webcam network and increase reliability	s9(2)(b)(ii)
Ensure full redundancy for four critical river flood warning river sites	
Real-time monitoring of groundwater level conditions in urban areas to inform flood risk	
Microwave link to reduce dependency on internet for telemetry sites	
Improved real time weather now casting using a rapidly deployable X-Band radar for Gisborne/Tairawhiti	
Modelling stormwater & wastewater infrastructure to identify critical locations for flood warning monitoring	
PLANNING – ASSESSMENT AND MODELLING	
Assessment of back flooding for vulnerable communities for the Waipaoa and Uawa Catchments	s9(2)(b)(ii)
Assessment of impacts of water depth and velocities on survivability of households and first responders	
Impact of Cyclone Gabrielle on lateral migration of riverbanks	
Drone-based LiDAR capacity to support landslide, riverbank lateral spread, stop bank assessment	
Identification of suitable technologies to assess water velocities in turbid water during flood events	
Engage flood modelling specialist to facilitate flood modelling for at risk catchments (cf. Te Arai, Uawa)	
Peer review of the Arrows Flood model and the flood warning model & advice on migrating to a replacement	
DATA NEEDS	
Development of updated flood hazard layers for TRMP, including a layer for critical overland flow paths	s9(2)(b)(ii)
Provision to support MBIE/LINZ regional LiDAR	
OTHER	
Options for nature-based flood plain enhancements. Preliminary modelling/design in Tokomaru catchments	s9(2)(b)(ii)
Replacement of and training of staff into Arrows replacement	
Total for 2023/24	

16. These Tairāwhiti initiatives are included here as examples. While they have potential to be funded for quick wins, we do not have information about what they entail other than the high-level description provided above.
17. The CRU will continue to work with Tairāwhiti and other councils in affected areas to gather enough additional detail to assess initiatives. This will allow us to identify a wider set of initiatives to consider for funding through the Flood Resilience Fund.
18. We note there is a risk that requesting further information on the quick wins to provide assurance regarding investment decisions will have resourcing implications for councils that are already facing significant demands.
19. We can work to mitigate this risk by ensuring that the process is a simple and streamlined as possible – for example, by providing a basic template and clear direction on what would be required. This request for information could also be channelled through other engagement, such as the regional communication ‘gate’ approach being taken for other RRP initiatives as part of the wider funding triage process.


The Flood Resilience Fund could also be used to accelerate longer term resiliency initiatives

20. Many of the other initiatives in the RRP, such as work to repair and enhance existing flood protection such as stop banks, would contribute to improved community flood resilience but are longer term, more substantial projects. They will also clearly overlap with upcoming larger interventions to address flood risks facing category 2 properties.
21. These types of initiatives could not be fully delivered in the 2023/24 financial year, which is a requirement for the use of the Flood Resilience Fund. However, it is likely that some initial investment could help to support these initiatives in their early stages. Funding feasibility studies, business case development or supporting geotechnical or engineering work would help alleviate the pressure from the near-term costs of these longer-term projects.
22. The risk profiling of catchments in affected regions has changed significantly since the NIWE, increasing the need for this work to support development of business cases and modelling to support investment decisions. We understand Te Waihanga would support this view – that one of the best things the Crown can do is invest in the due diligence and planning.
23. Better information sharing from government to infrastructure owners on the risks that they face would allow them to better prioritise their investments. This type of government support will fill a void identified by DPMC's work to enhance critical infrastructure resilience and allow progress to be made prior to the development and passage of legislation.
24. There is also a risk that taking a quick win approach to funding will result in lower value investments and a higher risk of investing in the wrong initiatives. This would be reduced if initiatives are considered as part of a more comprehensive business case process to inform category 2 interventions. This trade-off should be considered alongside the need for rapid funding.
25. Given the risks with taking a quick win funding and the limited number quick wins that we have been able to identify to date, we suggest the immediate priority and best use of Crown funding is to provide seed funding to support councils develop their category 2 business cases.

- 26. Seed funding would ensure these business cases are high quality and timely as dedicated resourcing from the Flood Resilience Fund would allow this to occur alongside BAU activity and standard recovery activity.
- 27. This seed funding could be allocated on a proportionate basis for each affected region. This could be allocated in several different ways (e.g., equally, on a per capita basis, or modified by a council's ability to pay).
- 28. There would also need to be decisions on what proportion of the total \$100 million fund to make available for this purpose (our initial view is that this would be a relatively small portion of the total fund), and the parameters for what the funding could be used for or what conditions might be attached to it. If you support this approach, officials can provide you with further advice on these points.

Next steps

- 29. The CRU will continue to gather more detailed information about council initiatives provided in their RRP. We will use this to develop a clearer picture of initiatives that could be considered for funding from the Flood Resilience Fund.


Katrina Casey
Chief Executive Cyclone Recovery
Cyclone Recovery Unit

13/07/2023

Hon Grant Robertson
Minister for Cyclone Recovery

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

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

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

Appendix 1 – Hawke’s Bay and Northland flood resilience costing information

Released under the Official Information Act 1982

Hawke's Bay Costings as received Thursday, 13 July at 11am

Provisional Categorisation	Estimated Cost of Engineering Solutions	Engineering Solution	Construction Cost	Cost of Materials	Land related costs	Total
	to provide 1% AEP Protection (Pre-cyclone AEP definition)		s9(2)(b)(ii)			
	Wairoa					
2A		3-4 metre high stopbank along 12,600m (stage 1, part stage 2, part stage 3)	*shovel ready			
	Hastings District					
2C	Omarunui Road	Breaches Repaired, no further Engineering solution required				
2C	Waiohiki	Stopbank parallel to golf course and Marae boundaries	*shovel ready			
2C	Moteo/Swamp Road	Breaches Repaired, no further Engineering solution required				
2P	Omahu	Provisional sum only (lifting c18 x houses)	* potentially shovel ready			
2A	<i>Pakowhai Option B**</i>	<i>Stop banks and spillover/overland flow</i>	*shovel ready			
	Puketapu/Springfield Road	Breaches Repaired, no further Engineering solution required				
1	Twyford, Fernhill	Breaches Repaired, no further Engineering solution required				
3	Dartmoor					
3	Mangaone/Rissington	No viable engineering solution available				
3	Esk Valley	No viable engineering solution available				
2A	Pohutukawa Drive, Northshore Road	Stopbank on sea side of drain, 1000m in length	*shovel ready			
3	Te Ngarue/Tangoio, Pakuratahi	No viable engineering solution available				
2A	Beach Road Tangoio	Stopbank on river sibe of angular property boundary	*shovel ready			
2C	Joll Road, Havelock North	Potential upgrade of detention dams - Provision Sum only	*shovel ready			
2C	Pan Pac, Whirinaki	Upgrade existing stopbanks from 2m to 4m in height	*shovel ready			
	Napier City					
3	Esk	No viable engineering solution available				
2C	Bay View	No Habitable Dwellings Effected, no intervention required				
1	Brookfields/ Awatoto	Breaches Repaired, no further Engineering solution required				
	Central Hawkes Bay					
1	Te Aute/ Papanui	Breaches Repaired, no further Engineering solution required				
2C (1 x3?)	Waipawa Township	Breaches Repaired, no further Engineering solution required				
2C	Coronation Park	Breaches Repaired, no further Engineering solution required				
2C	Upstream of Coronation Park	No Engineering viable solution available				
1	Elsthorpe	No Habitable Dwellings Effected, no intervention required				
2A	Porangahau***	Lift 30 Houses up by 2 metres	* potentially shovel ready			
	Lake Whatuma	No Habitable Dwellings Effected, no intervention required				

Northland Costings as received Tuesday, 11 July at 4.45pm

River team LTP costs

NB All construction costs preliminary ROC

Indicative locations (To be confirmed)	Size job?		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
1 Otira-Moerewa - Wahamiti Lane Swale to provide flood mitigation to Otiria Marae and KiwiRail Yard	MED	OPEX	s9(2)(b)(ii)										
		CAPEX											
2 Whirinaki - Marae, School and houses at flood risk. Flood Modelling to determine best flood mitigation options	MED	OPEX											
		CAPEX											
3 Kaeo Stage 2 consists of moving the confluence of the Kaeo River and Waikare Creek approximately 1.5 km downstream - reducing the backwater effect to the township.	MED	OPEX											
		CAPEX											
4 Punuruku - Russell Road flooding causes Marae, Schools and Houses to be isolated. Modelling to determine how high to raise the road to provide reasonable access	SML	OPEX											
		CAPEX											
5 Awanui upper catchment flood detention - Modelling to optimise upper catchment detention retaining the flood peak and reducing flood risk to Kaitaia and Awanui Townships	MED	OPEX											
		CAPEX											
6 Awanui coastal stopbanks adaptation - Modelling to determine what level the stopbanks can be reasonably raised to provide protection from storm surge and sea level rise.	MED	OPEX											
		CAPEX											
7 Whangarei Blue Green Network - "Room for the River" Providing cycle tracks along the Whangarei Rivers that act as floodways in big rain events	LGE	OPEX											
		CAPEX											
8 Whangarei Avenues Flood Risk Reduction Willson Avenue overland flow path identification and mitigation	MED	OPEX											
		CAPEX											
9 Awanui River-Lake Tangonge Flood Detention and Wetland Restoration Modelling to determine flood detention and wetland parameters - Capex to set weir heights and size outlets	MED	OPEX											
		CAPEX											

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTALS
TOTALS	OPEX	s9(2)(b)(ii)										
	CAPEX	s9(2)(b)(ii)										
TOTALS:	Yr 1-10 OPEX	s9(2)(b)(ii)										
	CAPEX	s9(2)(b)(ii)										
	FTE	s9(2)(b)(ii)										
Yr 1-3	OPEX	s9(2)(b)(ii)										
	CAPEX	s9(2)(b)(ii)										
	FTE	s9(2)(b)(ii)										
Yr 4-6	OPEX	s9(2)(b)(ii)										
	CAPEX	s9(2)(b)(ii)										
	FTE	s9(2)(b)(ii)										
Yr 7-10	OPEX	s9(2)(b)(ii)										
	CAPEX	s9(2)(b)(ii)										
	FTE	s9(2)(b)(ii)										

Released under the Official Information Act 1982



Coversheet

Briefing: Template, criteria and timeline for allocating the Local Government Flood Resilience Co-Investment Fund

Date:	11/08/2023	Report No:	DPMC-2023/24-116
		Security Level:	IN CONFIDENCE UNCLASSIFIED
		Priority level:	[Medium]

	Action sought	Deadline
Hon Grant Robertson Minister for Cyclone Recovery	agree to recommendations	14 August
Hon Barbara Edmonds Associate Minister for Cyclone Recovery		

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

Departments/agencies consulted on Briefing
The Treasury, the Department of Internal Affairs, the Ministry for the Environment, and Kānoa (Ministry of Business, Innovation and Employment) were consulted on this briefing.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Template, criteria and timeline for allocating the Local Government Flood Resilience Co-Investment Fund

To: Hon Grant Robertson
Minister for Cyclone Recovery

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

Date	11/08/2023	Security Level	IN CONFIDENCE UNCLASSIFIED
------	------------	----------------	---------------------------------------

Purpose

1. This briefing seeks agreement to areas of focus, assessment criteria and a phased decision-making process, to enable an initial tranche of funding decisions be made from the Local Government Flood Resilience Co-investment Fund (the Flood Resilience Fund).

Recommendations

We recommend you:

- 1) **agree** that the Flood Resilience Fund focus on:
 - 1.1. near-term (i.e. completed this financial year), low-regrets initiatives; **YES / NO**
 - 1.2. initiatives that can begin this financial year and be completed by the end of the 2024/25 financial year; and **YES / NO**
 - 1.3. support (in the first tranche of funding decisions) for North Island Weather Event affected councils to carry out preparatory investigation or feasibility work for longer-term initiatives. **YES / NO**
- 2) **agree** to enable rec 1.2 by rephrasing and allocating the Flood Resilience Fund across 2023/24 and 2024/25 when the tagged contingency is drawn down. **YES / NO**
- 3) **agree** to the final set of assessment criteria set out in this paper. **YES / NO**


Briefing: Template, criteria and timeline for allocating the Local Government Flood Resilience Co-Investment Fund	DPMC-2023/24-116
---	------------------

- 4) **agree** to seek a Cabinet decision in the Future of Severely Affected Land (FOSAL) paper going to the Extreme Weather Committee (EWR) on 30 August to give the responsibility for drawdown decisions against the Flood Resilience Fund to the Minister for Cyclone Recovery and Minister of Local Government, along with other appropriation Ministers as necessary. **YES / NO**

- 5) **agree** to a phased decision-making process, including progressing at pace with due-diligence information gathering with councils. **YES / NO**

- 6) **note** that decisions on administration of the Flood Resilience Flood will be sought in the FOSAL paper going to EWR on 30 August

- 7) **note** that in mid-September after information is gathered from councils and initiatives are assessed, decisions on the first tranche of funding will be sought from Ministers delegated the responsibility for drawdown decisions.


Katrina Casey
Chief Executive Cyclone Recovery

11 / 08 / 2023

Hon Grant Robertson
Minister for Cyclone Recovery

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

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

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

Background

2. As part of Budget 2023, the Department of Internal Affairs (DIA) was appropriated \$100 million in operating funding “for local authorities in areas impacted by the recent North Island Weather Events to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.” This funding is held in a tagged contingency, the Local Government Flood Resilience Co-investment Fund (Flood Resilience Fund) which expires on 30 June 2024.
3. On 9 May, Ministers agreed that the design of the Flood Resilience Fund be progressed in conjunction with Future of Severely Affected Locations (FOSAL) work [DIA ref: LG202300571]. Subsequent decisions on 24 May confirmed that funding would be provided through the FOSAL category 2 process, with contributions subject to consideration of business cases [DIA ref: LG202300645]. Other funding for category 2 will come from the National Resilience Plan (NRP).
4. In a meeting with the Treasury on 30 June, you asked officials to ensure that the Flood Resilience Fund would be made available to local authorities to manage near-term costs associated with FOSAL.

Identifying potential initiatives for funding

5. Two primary avenues have been used to identify potential initiatives for near-term funding:
 - *Regional Recovery Plans (RRPs)* – on 7 July, the Cyclone Recovery Unit (CRU) provided you with an overview of the first round of RRP received from local authorities in North Island Weather Events (NIWE)-affected areas [DPMC-2022/23-18]. This paper noted that initiatives had been identified through the RRP that could be suitable for near-term funding, although the level of detail provided was highly variable. Subsequent engagement by the CRU has helped to refine this information, as well as identifying some additional potential initiatives. An update on the RRP process will be considered by the Cabinet Extreme Weather Committee (EWR) on 23 August 2023.
 - *Cost-sharing negotiations* – negotiations between councils and the Crown on FOSAL cost-sharing agreements have identified an indicative list of category 2 risk-mitigation projects for which the Crown will provide a pre-allocation of NRP funding. Some of these projects could also be considered for funding from the Flood Resilience Fund (and if funded, would be deducted from the agreed NRP pre-allocation). To date, a list has been identified for Hawke’s Bay. We anticipate a similar list will be identified for Tairāwhiti and Auckland in due course.
6. The CRU will continue to engage with councils to identify other eligible initiatives that have not come to light through the two primary avenues.

Potential initiatives

7. The CRU has received a wide range of potential initiatives, with varying levels of detail provided. The variance reinforces the importance of further engagement with councils and a standardised approach to gathering information and assessing initiatives.

8. Some of the initiatives have provided sufficient detail to be confident they are clearly linked to the NIWE, support the proactive management of climate-exacerbated flood risk, and could be started quickly.
 - For example, Central Hawke's Bay District Council have identified the need for replacement flood protection for a water treatment plant. We understand that a privately owned upstream stop bank was damaged during Cyclone Gabrielle, leaving the plant with limited protection. Following the cyclone, investigations considering increasing the resilience of the site were commissioned. The most resilient option identified was to shift the site away from the areas impacted by the recent flooding. This initiative has an estimated cost of \$1.65 million in the first year and \$4.5 million in year two.
9. Some initiatives are well developed and ready to begin, but the costs mean that—if funded—large proportions of the Flood Resilience Fund would be allocated to only a few initiatives. We will align closely with the National Resilience Plan work as decisions progress.
 - An example of this is the single identified Auckland initiative, which is to replace an existing culvert to mitigate flooding in Pukekohe. This initiative has resource consent granted and construction can commence in October 2023. However, it is costed at \$18 million and will take approximately 18 months to complete.
10. Many initiatives have relatively low first year costs that increase notably in out-years.
 - Tairāwhiti's flood protection initiatives identified in their RRP total \$8.332 million in the first year, but over the period 2023 to 2026 would reach \$47.916 million. Early-stage funding of these initiatives could help to ease near-term cost pressures, but would only be eligible where longer-term funding has been secured (for example, through NRP pre-allocation funding in a cost-sharing agreement).
11. Regions have submitted initiatives that involve funding for investigations or studies, which would likely not see physical construction within the year.
 - For example, the Hawke's Bay cost-sharing terms sheet includes an initiative for \$3 million in 2023/2024 for 'Scheme Reviews to reconfigure and build resilience'.
 - Waikato District Council has identified a \$1.595 million initiative for climate change analysis, transport infrastructure evaluation and hazard mitigation.
12. Regions affected by NIWE but not part of cost sharing negotiations have submitted initiatives that would likely meet the criteria, and/or were already identified and could be accelerated with this funding.
 - The Northland Regional Recovery Plan had three items that directly relate to flood management, including an initiative to address stormwater inundation by improving flood resilience of assets such as stop banks and embankments. This is costed at \$2.85 million for work out to June 2025. This work may be able to be brought forward.

The scope of the fund

The Flood Resilience Fund will be limited to NIWE-affected regions

13. As noted above, Ministers previously agreed that the Flood Resilience Fund be used to support local authorities in NIWE-affected regions.

14. We considered the possibility of broadening the scope to support proactive management of climate-exacerbated flood risks beyond the NIWE-affected regions. Other regions, some of which have also experienced flood events (e.g., Nelson), do not have an equivalent funding pathway for similar initiatives. However, we consider that the urgent needs and cost pressures in the NIWE-affected regions outweigh any equity concerns that may be raised by other regions. Support for other regions could still be considered through broader funding processes such as the NRP.

The Flood Resilience Fund could be used to fund risk mitigation initiatives to be completed by June 2025 and to support councils' capacity

15. The CRU provided you with advice following an initial assessment of initiatives in the RRP's that could be identified as 'quick wins' [DPMC-2023/24-59]. This process—based on the limited amount of detail provided by councils at that point—concluded that there was a small number that would be likely to be within scope of the Flood Resilience Fund that could be considered as quick wins (i.e., discrete initiatives that could be fully delivered within the 2023/24 financial year).
16. We consider that if funding was limited to initiatives that do not require funding beyond 2023/24, the fund would be likely to be underspent when it expires on 30 June 2024, rather than delivering on its purpose.
17. While the focus of the Flood Resilience Fund remains on priority initiatives that can be delivered quickly, we recommend also considering funding for initiatives that can be completed over this and the next financial year, and otherwise meet the assessment criteria.
18. Given that larger scale and longer-term initiatives are likely to be better suited to going through the business case process for category 2 interventions, we consider that this extended timeframe could be limited to initiatives that stand to be completed by the end of the 2024/25 financial year. This would still allow for funding of some of the initiatives already identified (see the examples listed in paragraphs 9 and 10, which would be complete within the next two years) but initiatives with a more than two-year timeframe would follow the category 2 pathway instead.
19. This change would be relatively straightforward to achieve. If funding decisions are made by the fund's expiry on 30 June 2024, the funding can be rephased and allocated across 2023/24 and 2024/25. We do not recommend funding initiatives in 2025/26 as this would affect the forecast return to surplus.
20. We also recommend that funding be considered to help ease the significant capacity and capability issues being faced by councils, particularly smaller ones. The most pressing need for some of these areas may be support for them to complete preparatory investigation or feasibility work for longer-term initiatives.
21. We recommend the amount provided for this purpose should be limited, to ensure that funding is prioritised for initiatives that are ready to get underway – for an initial tranche of funding, this could be limited to no more than \$1 million, per region.

Assessment criteria

22. The CRU briefing provided to you on 7 July provided a set of draft criteria for assessing and prioritising initiatives. We have refined these further and propose the following as a final set of criteria to be used:

Criteria	Indicators / questions to be considered as and where appropriate
<p>Priority The initiative should contribute to resilience to future flood risks in the areas affected by NIWE and be ready to start this year.</p>	<ul style="list-style-type: none"> • Can the local authority provide sufficient evidence as to why this initiative is urgent and provides value for money for the Crown that outweighs the benefits of taking a more considered approach? • How soon will the initiative begin to improve flood resiliency? • Has the local authority clearly identified why this initiative is a priority? e.g., but not limited to: <ul style="list-style-type: none"> - Is it included in Te Uru Kahika proposal “Before the deluge: Building flood resilience in Aotearoa”? - Is it prioritised in the Regional Recovery Plans? - Is there a window of opportunity to invest now that will be lost?
<p>Value for money The initiative should represent good value for money, delivering greatest benefits for least cost</p>	<ul style="list-style-type: none"> • Are the benefits of the initiative clear? Does the initiative include a credible and favourable assessment of the likely intended and unintended costs and benefits (as appropriate for the scale of the investment)? • Does the initiative use the PARA (protect, avoid, relocate, and accommodate) framework for risk management? • Has the initiative sought to minimise maladaptation (including future-proofing resilience investments against changing flood risks due to climate change and future costs created by the intervention) and moral hazard risks? • Has the initiative considered long-term risk? If the initiative is a near-term fix, is there is a cost-effective long-term solution? • Does the initiative deliver wider social, economic, environmental and/or cultural outcomes (e.g., nature-based solutions)?
<p>Alignment The initiative should be aligned to other activity that is planned or already being delivered</p>	<ul style="list-style-type: none"> • Is the initiative aligned with other post-NIWE recovery activities (e.g., FOSAL, Regional Recovery Plans, National Resilience Plan)? • Does the initiative align with other related government priorities, (e.g., priorities identified in the National Adaption Plan)?

<p>Deliverability The initiative should be planned to be completed no later than the 2024/25 fiscal year.</p>	<ul style="list-style-type: none"> • Will the initiative be completed in the current fiscal year or within the 2024/25 fiscal year? • Has all other necessary funding (e.g., for related repair work, for ongoing asset management after the physical infrastructure is built) been secured? • Do the relevant parties have the capability and capacity to deliver the initiative on time and within budget, taking into account limited market capacity, any planning/consenting requirements, and the ability to procure and manage the investment? • Does the initiative identify key delivery risks and mitigations?
<p>Additionality The initiative should not be something that the authority or beneficiaries of the initiative could pay for.</p>	<ul style="list-style-type: none"> • Has the local authority demonstrated the initiative is not: <ul style="list-style-type: none"> - something the council has already budgeted for? - something that the beneficiaries of the initiative could pay for?
<p>Iwi/Māori engagement The initiative should demonstrate that engagement with relevant iwi/Māori has occurred.</p>	<ul style="list-style-type: none"> • Has the initiative been jointly submitted/supported by relevant iwi/Māori? • Have iwi/Māori been engaged in the development of the initiative and is there a plan for how they will be engaged as the initiative is rolled out?
<p>Betterment* The initiative should protect residential properties to a more flood resilient standard than the pre-NIWE state. <i>*for initiatives that support physical infrastructure works to deliver risk reduction alongside repair work</i></p>	<ul style="list-style-type: none"> • Has the local authority provided clear evidence that the initiative is restoring an asset to a more flood resilient standard? Has the local authority clearly differentiated between what is eligible for the 60 percent government CDEM contribution and what is betterment? • Is the resilience standard being built to transparent, clearly articulated and reasonable?

Institutional settings

23. The Flood Resilience Fund has changed significantly from its original form as an initiative under the Climate Emergency Response Fund (CERF). In particular, the scope has shifted to regions affected by the NIWE and Ministers agreed it would be progressed in conjunction with the FOSAL work.

Drawdown decisions and administration of the fund

24. The original proposal identified the Minister of Local Government, Minister for Regional Economic Development, Minister for Climate Change, and Minister of Finance jointly, along with any other appropriation Ministers as necessary as responsible for making decisions on drawdowns from the Flood Resilience Fund.

25. The original decision-making arrangement is no longer appropriate, given the changed scope of the fund and the desire to deliver rapid funding. We recommend seeking a Cabinet decision to change the responsibility for making drawdown decisions to a smaller group of Ministers. We propose that this be the Minister for Cyclone Recovery and the Minister of Local Government, along with any other appropriation Ministers as necessary.

26. Given the revised scope of the Flood Resilience Fund, we recommend aligning the administration, monitoring and assurance arrangements with FOSAL implementation settings. In particular, there would be benefits in aligning the Fund with arrangements for FOSAL category 2 processes, given the similarity of initiatives and the potential for overlap between different sources of funding. Final Ministerial responsibilities will align with administrative functions.
27. Advice on FOSAL implementation, including institutional settings around funding, will be included in the upcoming Cabinet paper for EWR on 30 August 2023. Further decisions on arrangements for the Flood Resilience Fund will be included in this paper.

Process for making funding decisions on initiatives

Phased decision making to help manage near-term cost pressures

28. We recommend making funding decisions in multiple tranches, with the first identified initiatives to be assessed as soon as possible. This approach would expedite decision making so that funding can be made available to manage local authorities' near-term costs and to provide them with greater certainty. An additional funding tranche (or tranches) could be undertaken as additional details become available.
29. The main trade-offs with this approach are:
- The potential for inequity in funding between regions. Phased decision-making could mean that councils that are not yet able to provide sufficient information on potential initiatives would be disadvantaged.
 - There is also a value-for-money opportunity cost. By funding an initial tranche of initiatives, you would forego the opportunity for other high-value initiatives that may come forward as councils continue to identify their needs.
30. We consider that these concerns are mitigated by:
- Focusing initially on relatively small, straightforward initiatives. The assessment criteria focus the Flood Resilience Fund on low-regrets initiatives that will help alleviate near-term cost pressures on councils.
 - The availability of various other NIWE recovery funding streams (e.g., NRP) for longer-term, more complex, or other high-value initiatives that will take longer to develop more detailed business cases.
31. Alternative options were considered but are not recommended:
- *Assessment of all initiatives in a single round of decision making.* If decision-making is limited to the initial round, it would place a strain on local authorities to submit information about all initiatives at once. It would also risk some desirable initiatives not being considered because information could not be submitted in time. Extending the timeline for a single round of decision making would allow more time for information to be submitted but would extend uncertainty and delay distribution of funds.
 - *Allocating a set proportion of the Flood Resilience Fund to each affected region* (e.g., proportional to the scale of the RRP, on an affected per capita basis, modified by a council's ability to pay). This option would not adequately respond to the different needs

of the different regions at different times. Some regions will have a larger portion of near-term needs that qualify for this funding, while others may find it more beneficial to receive longer-term funding that better matches local capacity to carry out flood resilience initiatives or the priority of flood resilience initiatives in relation to other recovery activities.

Process for assessing initiatives

- 32. We propose a simple process for identifying and assessing potential initiatives. Using the assessment criteria as the basis for decision-making, it would balance the desire to distribute funding as rapidly as possible, while maintaining an appropriate level of assurance over investment decisions.
- 33. The process would place minimal burden on councils to provide further information to central government. While we recognise the many pressures NIWE-affected regions continue to be under, the CRU’s ongoing engagement on the RRP’s suggests that the most severely affected regions are prepared to participate in a simple information-gathering process related to near-term, low-regrets initiatives.
- 34. A summary of the proposed process is as follows:
 - i. *Identification of potentially eligible initiatives* through RRP’s (and subsequent engagement by the CRU), cost-sharing negotiations, and through other FOSAL-related engagement (such as the proposed 16 August workshop with other NIWE-affected councils). This stage is already well underway.
 - ii. *The CRU invites local authorities to submit supporting information on identified initiatives* using a simple template (see attachment 1). The process will place a minimal burden on councils and encourage a rapid response, while allowing sufficient information to make informed assessments and recommendations for funding and allow for a basic level of assurance relating to costings and milestones. Councils can also identify and provide supporting information for other potentially eligible initiatives that were not raised through other avenues.
 - iii. *Officials (CRU, Treasury, MfE, DIA) assess initiatives against the assessment criteria* and provide advice to Ministers for first tranche funding decisions. This initial assessment would be limited to those initiatives where supporting information can be rapidly provided, such as if it was previously identified in Te Uru Kahika proposal “Before the deluge: Building flood resilience in Aotearoa”.
 - iv. *Funding administered* in alignment with FOSAL implementation arrangements.
 - v. *Subsequent tranches to be determined* – timing and scope for subsequent tranche(s) will become clearer through the information-gathering process in ii above.
- 35. Subject to your agreement to the above, we propose the following timeline for an initial tranche of decisions:

Identification of potentially eligible initiatives	Underway
CRU contacts councils and requests additional information for initiatives to be considered in first tranche	16-30 Aug

Decisions on Flood Resilience Fund terms (including delegation of drawdown decisions) sought via the FOSAL paper to EWR	30 Aug
Officials' assessment of first tranche initiatives	Early Sept
Ministerial decisions on first tranche of funding made from the Flood Resilience Fund	Mid-Sept
As necessary, subsequent tranche(s) will follow	TBD

Next Steps

36. Should you agree to the proposed criteria and process outlined in this paper, the CRU will proceed at pace to engage with councils to gather the necessary information on near-term, low-regrets initiatives to be considered in first tranche of decision making.
37. The FOSAL paper to EWR on 30 August will seek agreement on Flood Resilience Fund terms and institutional settings (including delegation for drawdown decisions).
38. The CRU will provide advice to relevant Ministers in mid-September to make decisions on the initial tranche of funding to be made from the Flood Resilience Fund.

Released under the Official Information Act 1982

**Attachment 1 – Local Government Flood Resilience Co-investment Fund:
Information for near-term initiatives proposed for funding**

Released under the Official Information Act 1982

Briefing: Template, criteria and timeline for allocating the Local Government Flood Resilience Co-Investment Fund	DPMC-2023/24-116
---	------------------

LOCAL GOVERNMENT FLOOD RESILIENCE CO-INVESTMENT FUND

Information for near-term initiatives proposed for funding

The fund is 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.

This form is to be used for initiatives that can be underway this year and be completed by June 2025.

Please return the completed form by email to: cyclonerecoveryunit@dpmc.govt.nz.

Section 1: Overview Information

Initiative ref #: [for DPMC use only]

1. Initiative title:

2. Please provide a brief description of the initiative.

[Briefly outline the initiative, confirming that it is urgent, priority work that contributes to the resilience and proactive management of climate-exacerbated flood risks. Is this contained in the Regional Recovery Plan? Is there a window of opportunity to invest now that will be lost?]

3. Which territorial authority/authorities is the initiative located in?

4. The initiative is:

Initiative Type	✓	Total funding sought (\$m)
Physical infrastructure	<input type="checkbox"/>	
Monitoring	<input type="checkbox"/>	
Planning and assessment	<input type="checkbox"/>	
Data acquisition	<input type="checkbox"/>	
Other: <i>[please specify]</i>	<input type="checkbox"/>	

5. Contact details:

Organisation Name:			
Contact Name, Role:			
Email Address:		Telephone:	

Section 2: Initiative Detail

6. Funding profile:

Capital funding proposed (\$m)				
	2023/24	2024/25	Outyears	Total
Flood Resilience Fund			N/A	
Local funding contribution				
Other funding <i>[please specify]</i>				
Total capital funding				
Operating funding proposed (\$m)				
	2023/24	2024/25	Outyears	Total
Flood Resilience Fund			N/A	
Local funding contribution				
Other funding <i>[please specify]</i>				
Total operating funding				

7. Describe the likely intended and unintended costs and benefits (including social, economic, environmental and/or cultural) that the initiative will deliver (i.e., value for cost).

8. How have iwi/Māori been engaged in the development of the initiative? What is the plan for how they will be engaged as it progresses?



9. Describe how the project contributes to the long-term resilience of the region. How does the initiative align with other post-NIWE activity (i.e., sequencing with other initiatives) and Te Uru Kahika proposal “Before the deluge: Building flood resilience in Aotearoa”? If the initiative is a near-term fix, how does this support a cost-effective long-term solution?

10. How does the initiative align with wider government priorities (e.g., priorities identified in the [National Adaptation Plan](#))?

11. Describe

- how the initiative fits in the PARA (protect, avoid, relocate, and accommodate) framework for risk management;
- which other intervention options under the PARA framework have been considered; and
- why this initiative is the optimal intervention.

12. For physical infrastructure initiative, describe how it protects residential properties to a more flood resilient standard than the pre-NIWE state, and/or how the initiative seeks to minimise maladaptation and moral hazard risks.



13. Describe the local contribution to the initiative. What ongoing requirements (e.g., funding, staffing, maintenance) would emerge from this initiative, and how will you these manage these?

[For example

- *This project will identify critical locations where the council will invest in flood warning monitoring, which will be funded by x.*
- *After this project builds x asset, ongoing maintenance will be funded by y.*
- *Ongoing operational funding is being sought from x fund.*
- *Capacity to analyse data collected from this project will be provided by x.]*

14. Is this initiative included in Te Uru Kahika/Regional and Unitary Councils Aotearoa “Before the deluge: Building flood resilience in Aotearoa” investment proposal (December 2022)?

Yes: No:

- a. If yes, please describe how the initiative priority/design/scope changed post NIWE?

15. Was this initiative previously identified in a local authority planning process?

Yes: No:

- a. If yes, please describe the outcome of the process, including any funding decisions.

- b. Has the initiative priority/design/scope changed post NIWE? If so, please describe how.

16. Has funding for this initiative previously been applied for from any part of Government?

Yes: No:

- If yes, please describe which funding mechanism/agency, the outcome of the discussions, and who such discussions were with (which Ministry and official).

17. If not progressed via this fund, how would this initiative progress (e.g., raise rates, bid for Budget 2025 funding, apply for National Resilience Plan funding) or how would you otherwise address the issue it is seeking to solve (e.g., shift focus to flood warning systems instead of building higher stopbanks)?

Section 3: Implementation

18. Please provide an overview of milestones completed to date.

Milestone	Date Completed
<i>[e.g., assessment, design work]</i>	

19. Proposed breakdown of the spend and activity each quarter (\$m):

	2023/24			2024/25				Total
	Q2 Oct-Dec 23	Q3 Jan-Mar 24	Q4 Apr-Jun 24	Q1 Jul-Sept 24	Q2 Oct-Dec 24	Q3 Jan-Mar 25	Q4 Apr-Jun 25	
<i>[e.g., consent granted, construction begins]</i>								



20. Describe the capacity and capability available to deliver the initiative on time and within budget.

[Empty response box for question 20]

21. Describe any challenges that would prevent the initiative from commencing before the end of the calendar year.

[Empty response box for question 21]

22. Is the success of the initiative reliant on other unresolved factors (e.g., unsecured funding from other sources, law change, approval of long-term plan)? If so, please briefly describe.

[Empty response box for question 22]

23. What are the key delivery risks (i.e., aspects that would affect your ability to deliver the initiative on time and within budget)? Please categorise each risk as low/medium/high and include a short explanation of the rating and how you will mitigate the risk.

Description of risk	Low/ Med/ High	Commentary and mitigation
<i>[e.g., workforce availability, consent requirements]</i>		

24. What other information would be useful context for consideration?

Released under the Official Information Act 1982



Coversheet

Briefing: Local Government Flood Resilience Co-investment Fund – Funding Recommendations

Date:	13/09/2023	Report No:	DPMC-2023/24-287
		Security Level:	IN CONFIDENCE UNCLASSIFIED
		Priority level:	[Moderate]

	Action sought	Deadline
Hon Grant Robertson Minister for Cyclone Recovery	agree to funding initiatives from the Flood Resilience Fund	19/09/2023
Hon Kieran McAnulty Minister of Local Government		
Hon Barbara Edmonds Associate Minister for Cyclone Recovery	agree officials will proceed with a second tranche of initiatives later in 2023	

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)	

Departments/agencies consulted on Briefing
The Treasury, Department of Internal Affairs, and the Ministry for the Environment were consulted on this briefing. The Ministry for Primary Industries and the National Security Group were consulted regarding certain initiatives.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Local Government Flood Resilience Co-investment Fund - Funding Recommendations

To: Hon Grant Robertson
Minister for Cyclone Recovery

Hon Kieran McAnulty
Minister of Local Government

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

Date	13/09/2023	Security Level	IN CONFIDENCE UNCLASSIFIED
------	------------	----------------	---------------------------------------

Purpose

1. This briefing provides advice to support decisions on funding to be made from the Local Government Flood Resilience Co-investment Fund. Your approval is sought to fund the full proposed first, second, and third-tier packages from the Local Government Flood Resilience Co-investment Fund or indicate which initiatives should receive funding.

Executive Summary

2. As part of Budget 2023, a \$100 million fund was announced “for local authorities in areas impacted by the recent North Island Weather Events to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.”
3. The Cyclone Recovery Unit (CRU) has worked with the Treasury, DIA, and the Ministry for the Environment (MfE) to progress initiatives for Ministers to consider funding from the Flood Resilience Fund. On 18 August, the CRU invited NIWE-affected local authorities to submit initiatives for consideration. By 4 September, local authorities had submitted 20 initiatives. There are five initiatives that CRU does not recommend funding at this time.
4. The following paragraphs give an overview of the proposed first, second, and third-tier packages for funding decisions. If approved, of the 14 initiatives across all three tiers that include physical works, 10 will have progressed beyond desktop work before the end of 2023, and an additional four will break ground by the end of June 2024.
5. The recommended **first-tier funding package** comprises initiatives that clearly meet the purpose and objectives of the fund. These are considered sensible projects. The first-tier package represents almost 11% of the total amount requested and commits less than 10% of the fund, for a total funding package of **\$8.574 million**.
6. The recommended **second-tier funding package** initiatives are generally less closely aligned with the criteria and/or lacked the level of confidence in delivery but still received solid

assessment scores. The total proposed second-tier package is **\$22.115 million**. Together, the initiatives in both the first- and second-tier packages represent nearly 40% of the total amount requested and agreeing to fund both packages would commit almost one-third of the fund.

7. The recommended **third-tier funding package** initiatives require further discussions with local authorities to determine whether the proposed elements can deliver tangible benefits at the proposed partial funding amounts. Once due diligence is completed, the recommended funding amount may be lowered (but will not increase). The proposed third-tier funding package totals **\$7.570 million**. Funding this package together with both the first and second-tier packages would equal just less than half of the total request and commit nearly 40% of the fund.
8. As the CRU has engaged with local authorities, it has become apparent that they are still considering flood resilience options, particularly relating to the approach to risk mitigation for residential properties. The CRU recommends progressing a second funding round later this year to align with implementation of FOSAL policy and the progress of other NIWE-affected regions as they identify category 2 flood risk mitigation initiatives that come to light as properties are assessed.
9. To give effect to the funding decisions in this paper, your approval is sought to draw down the Local Government Flood Resilience Co-investment Fund tagged contingency into suitable new appropriation to be established in Vote Prime Minister and Cabinet.

Recommendations

We recommend you:

1. **note** that as part of the Budget 23 package, Cabinet
 - 1.1. authorised the Minister of Finance and the Minister of Local Government (Joint Ministers), for each contingency initiative, jointly to agree;
 - 1.1.1. the work that needs to be completed or other conditions that need to be satisfied before the contingency is drawn down into appropriations;
 - 1.1.2. whether the draw down into appropriations requires Cabinet approval or the approval of Joint Ministers;
 - 1.1.3. the expiry date of contingency funding;
 - 1.1.4. any related recommendations necessary to give effect to the contingency initiative;

1.2. agreed to establish the Local Government Flood Resilience Co-investment Fund tagged operating contingency associated with the Local Government portfolio of up to the following amounts to provide a contestable fund for the proactive management of climate exacerbated flood risk:

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Out years
Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency	100.000	-	-	-	-

1.3. authorised the Minister of Local Government, Minister for Regional Economic Development, Minister for Climate Change and the Minister of Finance jointly to agree to the terms of the fund, including eligibility criteria;

1.4. authorised the Minister of Local Government, Minister for Regional Economic Development, Minister for the Environment and the Minister of Finance to jointly draw down the above tagged operating contingency, once the terms of the fund have been agreed;

2. **note** that, in August 2023, the Extreme Weather Recovery committee agreed to amend joint Ministerial responsibilities on the Flood Resilience Fund, authorising the Minister for Cyclone Recovery and Minister of Local Government, along with any other appropriation Ministers as necessary, to make drawdown decisions;

3. **agree** that, as the terms of the fund, including eligibility criteria have now been agreed, decisions on funding packages and associate drawdowns can now proceed; YES / NO

4. **agree** to EITHER (CRU preferred option)
fund the full first-tier package of \$8.574 million from the Local Government Flood Resilience Co-investment Fund YES / NO

OR
indicate in Funding Table 1 on pages 10-11 which initiatives should receive funding; YES / NO

Released under the Official Information Act 1982

5 **agree** to EITHER (CRU preferred option)
 fund the full second-tier package of \$22.115 million from the Local Government Flood Resilience Co-investment Fund (bringing the total funding combined with the first-tier package to \$30.689 million) **YES / NO**

OR

indicate in Funding Table 2 on pages 12-13 which initiatives should receive funding; **YES / NO**

6 **agree** to EITHER (CRU preferred option)
 fund the full third-tier package of \$7.570 million from the Local Government Flood Resilience Co-investment Fund (bringing the total funding combined with the first-tier and second-tier packages to \$38.259 million) **YES / NO**

OR

indicate in Funding Table 3 on pages 14-15 which initiatives should receive funding; **YES / NO**

7 **agree** to EITHER (CRU preferred option)
 not fund the five initiatives that are inappropriate to fund from the Flood Resilience Fund at this time **YES / NO**

OR

indicate in Funding Table 4 on pages 16-17 which initiatives should receive funding; **YES / NO**

8 **agree** to establish the following new multi-year appropriation, to run from 18 September 2023 to 30 June 2025: **YES / NO**

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Prime Minister and Cabinet	Minister for Cyclone Recovery	Department of the Prime Minister and Cabinet	Flood Resilience Projects	Non-Departmental Other Expense	This appropriation is limited to contribution to local authorities and other eligible stakeholders for flood resilience projects.

Released under the Official Information Act 1982

- 9 **approve** the following change to appropriations to provide for the decisions in recommendations 4-7 above (noting that figures may need to be amended manually both in the below table and in recommendations 10 and 13, as necessary, depending on the whether the CRU preferred options are agreed or not), with a corresponding impact on the operating balance and net debt: YES / NO

	\$m – increase/(decrease)		
	2023/24 – 2024/25	2025/26	2026/27 & Outyears
Vote Prime Minister and Cabinet Non-Departmental Other Expense: Flood Resilience Projects	38.259	-	-

- 10 **note** that the indicative spending profile for the new multi-year appropriation described in recommendation 9 above is as follows:

	\$m – increase/(decrease)			
	2023/24	2024/25	2025/26	2026/27 & Outyears
Indicative annual spending profile	18.856	19.403	-	-

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

- 12 **agree** that the expenses incurred under recommendations 9 above be charged against the Local Government Flood Resilience Co-investment Fund – tagged operating contingency described in recommendation 1 above; YES / NO

- 13 **note** that, following the adjustments detailed in recommendation 9 above, the remaining balance and indicative phasing of the operating contingency described in recommendation 1 above will be:

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency	61.741	-	-	-	-

- 14 **note** that the tagged operating contingency described in recommendation 1 above will expire on 30 June 2024;

15 **agree** that officials progress a second tranche of initiatives later this year; **YES / NO**


16 **agree** to EITHER

announce the Local Government Flood Resilience Co-investment Fund decisions together with the Regional Recovery Plan triage process outcome announcement **YES / NO**

OR

announce the Local Government Flood Resilience Co-investment Fund decisions separately from the Regional Recovery Plan triage process outcome announcement; and **YES / NO**

17 **forward** this advice and/or the regional summary of initiatives (Attachment A) to the lead Minister for each NIWE-affected region for their information.


Katrina Casey
Chief Executive Cyclone Recovery
Cyclone Recovery Unit
13/09/2023

Hon Grant Robertson
Minister for Cyclone Recovery
...../...../.....

Hon Kieran McAnulty
Minister of Local Government
...../...../.....

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery
...../...../.....

Background

10. As part of Budget 2023, a \$100 million fund (administered by the Department of Internal Affairs (DIA)) was announced “for local authorities in areas impacted by the recent North Island Weather Events (NIWE) to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.” This funding is held in a tagged contingency, the Local Government Flood Resilience Co-investment Fund (Flood Resilience Fund).
11. On 9 May, Ministers agreed that the design of the Flood Resilience Fund be progressed in conjunction with Future of Severely Affected Locations (FOSAL) work [DIA ref: LG202300571].
12. In a meeting with the Treasury on 30 June, you asked officials to ensure that the Flood Resilience Fund would be made available to local authorities to manage near-term costs associated with FOSAL.
13. Subsequently, the Cyclone Recovery Unit (CRU) worked with the Treasury, DIA, and the Ministry for the Environment (MfE) to progress initiatives for Ministers to consider funding from the Flood Resilience Fund. On 30 August, the Cabinet Extreme Weather Recovery Committee (EWR) agreed that funding agreements for the Flood Resilience Fund will be administered by the CRU and that the joint Ministerial responsibilities on the Flood Resilience Fund be amended, authorising the Minister for Cyclone Recovery and Minister of Local Government, along with any other appropriation Ministers as necessary, to make drawdown decisions [EWR-23-MIN-0074 refers].

Overview and assessment of initiatives

14. In our advice to the Minister and Associate Minister for Cyclone Recovery on 11 August, we outlined a process for identifying, collecting, and assessing initiatives that was designed to be as simple as possible to place a minimal burden on local authorities and recovery structures, while still providing assurance the Flood Resilience Fund is well spent [DPMC-2023/24-116 refers].
15. On 18 August, the CRU invited NIWE-affected local authorities to submit information about the purpose, costings, and milestones of potentially eligible initiatives using a template.
16. For some regions, potentially eligible near-term initiatives were identified through Regional Recovery Plans (RRP)¹, cost-sharing negotiations, and through other RRP and FOSAL-related engagement with local authorities and recovery structures. For other regions where information was less readily available, the CRU invited local authorities to work with us to determine if they had initiatives that were potentially eligible for funding from the Flood Resilience Fund.
17. By 4 September, local authorities had submitted 20 initiatives for consideration. For six initiatives, the CRU sought further clarification about the total funding requested, local contributions, or the high-level breakdown of project elements.

¹ An update on the outcome of the Regional Recovery Plan triage process will be provided later this week in briefing DPMC-2023/24-335.

18. The initiatives that were put forward do not reflect the total scale of flood risk mitigation and resilience funding that will be needed by the North Island Severe Weather Events (NIWE)-affected regions. Many of the lesser-affected regions are still considering their approach to categorisation and are waiting on engineers and geo-technical specialists before they can develop proposals for category 2 and 3 properties. Nonetheless, several valuable, near-term initiatives have been identified through this process.

19. Initiatives received from each NIWE-affected region are as follows:

Region	# of initiatives submitted	Total request (\$m)
Auckland	1	\$18.0
Tairāwhiti	2	\$16.2
Hawke's Bay	1	\$2.5
Northland	7	\$12.4
Waikato (including Thames-Coromandel)	6	\$18.1
Manawatū-Whanganui	2	\$4.3
Wellington (Wairarapa)	1	\$7.5
Total	20	\$79.0

20. Of the 20 initiatives received:

- 16 include physical infrastructure. Of the 16, eight also include elements of planning, assessment, monitoring, or data acquisition. Two additional initiatives involve physical works, but not infrastructure. The final two are primarily for monitoring and data acquisition.
- 13 relate to Regional Recovery Plan priorities and six are related to the Te Uru Kahika investment proposal *Before the deluge: Building flood resilience in Aotearoa*.
- Four proposals are considered out of scope as they do not concern recovery from the NIWE, respond to an increased flood risk exacerbated by NIWE, or relate to an increase in priority due to NIWE. While some other initiatives have aspects that relate to wider aspirations and resilience matters, the NIWE are the nexus of all initiatives within the scope of the Flood Resilience Fund.
- All 20 proposals stated the initiatives can get underway this financial year. Eight can be completed this financial year and the remaining 12 initiatives are planned to be completed within 2024/25 financial year.
- Seven of the proposals seek a Crown contribution of less than \$1 million each. Four initiatives each seek more than \$5 million in Crown investment.

21. Using a weighted scoring evaluation based on the agreed-upon criteria and a shared set of indicators and key questions [DPMC-2023/24-116 refers], officials from CRU, DIA, and MfE² independently assessed each initiative. Out of a maximum score of 42, the scores ranged from a low of 15 to a high of 42. The median and average score was 30. Initiatives that

² Officials from the Treasury were also invited to participate in the assessment process but were unable to do so.

received significantly different scores were reconsidered against factors such as other available funding mechanisms, feasibility, cost sharing, equity, and options for funding packages.

22. Agencies agree which initiatives are out of scope of the Flood Resilience Fund and which initiatives are included in each of the three recommended funding packages. Further rationale is described below in paras 31-38.

Released under the Official Information Act 1982

Officials recommend the following three packages of funding

First-tier funding package

23. The recommended first-tier funding package comprises initiatives that clearly meet the purpose and objectives of the fund. These are considered sensible projects. Six of the initiatives are seeking funding of less than \$1 million investment each. Except for one initiative³, all others in the package received an average assessment score of more than 30.
24. Funding this package would mean that five of seven regions would receive some proportion of the funding they are seeking. Hawke's Bay would receive 100% of its \$2.5 million request, while neither Auckland nor Wellington would receive any funding. The first-tier package represents almost 11% of the total amount requested and commits less than 10% of the fund. Funding Table 1 summarises the initiatives in the first-tier funding package.

Funding Table 1: First-tier funding package

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
01a	Enhanced Flood Intelligence and Resilience	Tairāwhiti (Gisborne)	The portion of the initiative recommended for first-tier funding is for purchase and installation of monitoring equipment, including installation of redundant telemetry systems and enhancement of monitoring technology.	\$200,000 ⁴	YES / NO
02	Stop bank to protect the Waipawa Drinking Water Treatment Plant	Hawke's Bay	This is a top priority project for the region that would protect the supply of safe drinking water for approximately 3,200 people and gives confidence in the continuation of longer-term solutions to provide a second water supply to 4,730 people.	\$2,500,000	YES / NO
03	Robert Street Stormwater	Northland (Kaipara)	This initiative involves construction of an emergency stormwater upgrade in Mangawhai, including the installation of a new stormwater pipeline, catchpits, manholes and outfall treatment to mitigate the flooding threat to habitable floors.	\$500,000	YES / NO

³ The one initiative in this package that received an average score of less than 30 had a wide range of scores. Upon discussion, officials consider that it belongs in the first tier because it is a relatively small investment (\$640,000) that will begin to address the concerns of an at-risk community that has high levels of anxiety following NIWE.

⁴ Total request of \$1,200,000. See Table 2 for initiative 01b.

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
04	Awakino Railway Embankment Stabilization	Northland (Kaipara)	This initiative will stabilise the embankment the reduce the risk of another sudden mass release of flood waters that damaged homes, businesses, and the Dargaville Wastewater Treatment Plant during the NIWE.	\$400,000	YES / NO
05	Dargaville Wastewater Treatment Plant Pond Heightening	Northland (Kaipara)	This initiative seeks to heighten the existing bunds around the wastewater treatment ponds. During the NIWE, flood waters inundated the maturation pond and damaged electrical equipment and control panels and narrowly avoided a mass release of raw sewerage.	\$650,000	YES / NO
06	Grahams Creek Flood Scheme Enhancement	Waikato (Thames-Coromandel)	This initiative will re-design and upgrade the weir to increase resilience to future weather events and improve flood scheme performance.	\$330,800	YES / NO
07	Coromandel River Resilience Initiative	Waikato (Thames-Coromandel)	The CRU recommends funding the instream capacity works and instream erosion protection (e.g., gravel management and obstruction removal) portion of this initiative. The felling of at-risk trees and native planting can progress over a longer period through the council's annual operating budget.	\$708,000 ⁵	YES / NO
08a	Flood forecasting & communication resilience upgrade	Manawatū-Whanganui	The CRU recommends funding improvements to early warning systems and more resilient communications (including power supplies and removing resilience on cell phone communication). This type of work to improve resilience and remove potential for failures/outages that cascade widely across the critical infrastructure system is in line with the objectives of the Infrastructure Action Plan ⁶ and aligned with system-level view of critical infrastructure resilience.	\$2,645,000 ⁷	YES / NO
09	Reducing risks to people and houses in the Pohangina Catchment	Manawatu-Whanganui (Manawatu, Palmerston North)	A key part of this initiative to reduce risks to people and houses in the Pohangina Catchment to reduce the perception of risk and anxiety around future events causing further damage.	\$640,000	YES / NO
TOTAL				\$8,573,800	

⁵ Total request of \$3,300,000.

⁶ [He Whakakaupapa mō Te Hanganga o Aotearoa | The Infrastructure Action Plan 2023 \(treasury.govt.nz\)](#) May 2023 response to New Zealand's first Infrastructure Strategy.

⁷ Total request of \$3,645,000. See Table 2 for initiative 08b.

Second-tier funding options

25. The initiatives in the second-tier package are generally less closely aligned with the criteria and/or lacked the level of confidence in delivery but still received solid assessment scores. Therefore, the CRU recommends funding this package of initiatives.
26. Funding this package alongside the first-tier package would not increase the number of regions that would receive some proportion of the funding they are seeking. Funding both packages would mean Tairāwhiti and Manawatū-Whanganui (in addition to Hawke's Bay) would receive 100% of the funding requested. Together, the initiatives in both packages represent nearly 40% of the total amount requested and agreeing to fund both packages would commit almost one-third of the fund.
27. The CRU considers that two initiatives are sound in principle but need further assurance work. For these three, the CRU recommends that the funding be earmarked while the local authorities work with the CRU and Crown Infrastructure Partners (CIP)⁸ to provide assurance. Funding Table 2 summarises the initiatives in the second-tier funding package.

Funding Table 2: Second-tier funding package

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
01b	Enhanced Flood Intelligence and Resilience	Tairāwhiti (Gisborne)	The CRU recommends that the flood modelling portion of this initiative be funded as part of the second-tier package. Comprehensive and accurate monitoring (first-tier element), coupled with improved forecasting precision, will provide residents with timely alerts and enable more effective disaster response and management.	\$1,000,000 ⁹	YES / NO
10	Resilient Homes – Elevating Tairāwhiti	Tairāwhiti (Gisborne)	The CRU recommends that this initiative be advanced to receive further consideration. However, because of the amount requested and questions regarding timing of property-level and community-level risk mitigation projects, the CRU notes that further discussions between the local authority and the CRU are necessary as is work with CIP to provide additional detail about initiative, including whether the situations and needs of the residents of Te Karaka are different from the rest of the district and assurance that the costs and project timeline are appropriate when considered alongside category 2C mitigation projects and further assessment of category 2A properties. For these reasons, the CRU recommends the funding be earmarked in principle while officials work with CIP and the local authority to provide due diligence.	\$15,000,000	YES / NO

⁸ CIP's role is currently being defined, as described in para 51.

⁹ Total request of \$1,200,000. See Table 1 for initiative 01a.

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
11	Flood-resilient Māori communities and marae	Northland (Far North, Whangārei)	Similarly, the CRU recommends that this initiative be advanced to receive further consideration. The CRU recommends that the local authority be instructed to work with CIP to provide assurance that the costs and project timeline are appropriate.	\$4,205,000	YES / NO
12	Flood intelligence and early warning	Northland (Far North, Whangārei, Kaipara)	This initiative relates to an early warning system that would reduce risks to life. This type of technical modelling is key to improving resilience. Consistent with modelling projects, CRU recommends this initiative be funded as part of the second-tier package.	\$560,000	YES / NO
13a	Port Waikato Three-Waters Resilience Work	Waikato	The CRU recommends that the flood modelling portion of this initiative be funded as part of the second-tier package. Funding modelling in this package is consistent with the overall approach to modelling proposals.	\$350,000 ¹⁰	YES / NO
08b	Flood forecasting & communication resilience upgrade	Manawātū-Whanganui	The CRU recommends including the flood mapping and assessing regional vulnerability element of this initiative, consistent with the overall approach to modelling proposals.	\$1,000,000 ¹¹	YES / NO
TOTAL				\$22,115,000	
Total, including first-tier package				\$30,688,800	

¹⁰ Total request of \$2,850,000. See Table 3 for initiative 13b.

¹¹ Total request of \$3,645,000. See Table 1 for initiative 08a.

Third-tier funding options

28. The proposed funding for each initiative in the third tier is less than the total amount being sought by the local authority and therefore will require further discussions with local authorities to determine whether the proposed elements of the initiatives can deliver tangible benefits at the reduced amount. All initiatives require further assurance work and are recommended to be funded in principle up to the amount shown in the table below. Once due diligence is completed, the recommended funding amount may be lowered (but will not increase).
29. Funding this package together with both the first- and second-tier packages would mean that six of seven regions would receive some proportion of the funding they are seeking. Together, funding all three packages would equal just less than half of the total request and commit nearly 40% of the fund. Funding Table 3 summarises the initiatives in the third-tier funding package.

Funding Table 3: Third-tier funding package

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
14	Ngā Manga Atawhai	Northland (Far North, Kaipara, Whangārei)	<p>The full initiative is for \$5.57 million. It is unclear how much of the work described in the proposal relates to flood risk mitigation. The CRU understands this initiative is also receiving funding from the Ministry for Primary Industries and Ministry for Social Development through the end of 2023. We recommend that the initiative be advanced to receive further consideration for a scaled-down portion and that the local authority be instructed to work with the CRU and CIP to provide assurance that the costs and project timeline are appropriate given other Crown investment in this initiative.</p> <p>The CRU recommends funding a scaled-down portion of this initiative that includes \$70,000 for the chipping equipment and a portion of the removal of trees from waterways, chipping, and spread on landscape.</p>	\$2,070,000 ¹²	YES / NO
13b	Port Waikato Three-Waters Resilience Work	Waikato	<p>The CRU recommends funding the Flood Prevention, Stabilisation and Rehabilitation portion of this initiative, less \$500,000 for project management, which officials consider should constitute the local contribution.¹³ The CRU recommends that the local authority be instructed to work with CIP to provide assurance that the costs and project timeline are appropriate, as serious concerns were raised concerning the feasibility and delivery timeline.</p>	\$2,000,000 ¹⁴	YES / NO

¹² Total request of \$5,570,000.

¹³ The council received approval for a \$220,000 grant from DPMC for regional recovery structure support that has yet to be signed or invoiced.

¹⁴ Total request of \$2,850,000. See Table 2 for initiative 13a.

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
15	Recovery and Flooding Resilience Works	Wellington (Wairarapa)	This initiative comprises three distinct projects, only one of which is related to the NIWE. The project that is within scope, Eastern Rivers Crack Removal and Bank Stabilisation, seeks \$6.8 million for the full project, which is estimated to require up to three years to complete and stretches beyond NIWE-related recovery and resilience. We recommend funding up to \$3.5 million to remove the blockages from recent storms to mitigate the potential for rivers to leave their channels and travel across land. The remainder of the project costs could be funded through the region's long-term plan over approximately 10 years. The CRU recommends that the in-scope element of the initiative be advanced, and the local authority instructed to work with CIP to provide assurance that the costs and project timeline are appropriate.	\$3,500,000 ¹⁵	YES / NO
TOTAL				\$7,570,000	
Total, including first and second-tier packages				\$38,258,800	

¹⁵ Total request of \$7,515,000.

Recommended not to fund

30. There are five initiatives that CRU does not recommend funding: one from Auckland, one from Northland (Kaipara), and three from Waikato (Thames-Coromandel). While all likely have flood risk mitigation benefits, we do not consider they are appropriate to fund from the Flood Resilience Fund currently. Funding Table 4 shows initiatives that are not recommended for funding.

- We understand that Auckland Council considers Paerata Culvert initiative separate from the projects at the centre of their category 2 cost-share projects, as those have been focused on the Making Space for Water programme. The CRU does not consider it should be funded before the FOSAL category 2 cost-share projects have been finalised. If funded, CRU does not consider fully funding would be appropriate. The initiative could be considered in a potential second tranche of the Flood Resilience Fund.
- The other four initiatives were deemed out of scope, as described in para 20.

Funding Table 4: Initiatives that are not recommended for funding

Ref#	Initiative title	Region (District)	Brief description	Request	Funding Rec	Agree
16	Paerata Culvert Upgrade and Downstream Erosion Protection	Auckland	While there are clear benefits of the overall project, it is not clear that the Flood Resilience Fund is the most appropriate funding pathway. Auckland Council has yet to provide a list of FOSAL category 2 projects that will be specified in the cost-sharing Funding Agreement. DIA is also investigating where the culvert replacement fits with the transition to the new water entity. The CRU recommends this initiative could be considered in a potential second tranche of funding if not funded through the cost-share agreement.	s9(2)(b)(ii)	\$0	YES / NO
17	Dargaville Stop Bank Repairs	Northland (Kaipara)	This initiative is for the repair of two sections of the stop banks that protect Dargaville township from flooding. While these repairs respond to damage that was identified after the cyclone, the damage is not related to the NIWE.		\$0	YES / NO
18	TCDC's Shoreline Management Pathways Implementation - Thames	Waikato (Thames-Coromandel)	This initiative includes tasks that need to be undertaken as a precursor to new stop banks. While likely a valuable resilience project, this initiative does not relate to the NIWE.		\$0	YES / NO

Ref#	Initiative title	Region (District)	Brief description	Request	Funding Rec	Agree
19	TCDC's Shoreline Management Pathways Implementation - Tairua	Waikato (Thames-Coromandel)	This initiative is to reduce the coastal inundation risk to properties, a first step in the implementation phase of the TCDC's Shoreline Management Pathways Project. While likely a valuable resilience project, this initiative does not relate to the NIWE.	s9(2)(b)(ii)	\$0	YES / NO
20	TCDC's Shoreline Management Pathways Implementation – Te Puru	Waikato (Thames-Coromandel)	This initiative is the construction of a new short-term defence for Te Puru, a first step in the implementation phase of the TCDC's Shoreline Management Pathways Project. While likely a valuable resilience project, this initiative does not relate to the NIWE.		\$0	YES / NO
TOTAL				\$30,165,740		

Released under the Official Information Act 1982

Rationale

31. The total funding recommendation, including all three packages, includes full or partial funding of initiatives across all but one of the NIWE-affected regions. The recommendation includes full funding of 11 initiatives (some project elements split across tiers) and partial funding of four initiatives.
32. The number of initiatives recommended for funding and the total amount recommended for each NIWE-affected region is summarised in the following table:

Region	Recommended for funding versus # submitted	Recommended funding (\$m)	Unfunded (\$m)
Auckland	0 of 1	-	s9(2)(ba)(ii)
Tairāwhiti	2 of 2	\$16.2	
Hawke's Bay	1 of 1	\$2.5	
Northland	6 of 7	\$8.4	
Waikato (including Thames-Coromandel)	3 of 6	\$3.4	
Manawatū-Whanganui	2 of 2	\$4.3	
Wellington (Wairarapa)	1 of 1	\$3.5	
Total	15 of 20	\$38.3	

33. Of the 14 initiatives across all three tiers that include physical works, 10 will have progressed beyond desktop work before the end of 2023, and an additional four will break ground by the end of June 2024.
34. All modelling projects have been included in the second-tier package. This prioritisation reflects the desire for the fund to support initiatives that deliver tangible near-term resiliency while also recognising the importance of this type of work for risk mitigation. We recommend that for all modelling or mapping projects, as appropriate, a condition of funding agreement is ensuring connection to the NIWA programme, Mā te haumarū ō ngā puna wai ō Rākahautū ka ora mō ake tonu: Increasing flood resilience across Aotearoa, which is a programme developing a system to map flood hazard consistency across the country.
35. Officials considered whether there should be a single approach the initiatives from the regions that have gone through cost-share negotiations with the Crown and opted to assess each initiative against the criteria on their individual merit. An alternative would be to not fund on principle because negotiations have already taken place. However, local authorities are still working through risk mitigation options and not considering the initiatives from those regions would risk disadvantaging the people in the most severely affected regions. After the initial assessment was completed, officials did consider cost-share arrangements when making recommendations for the funding packages.
36. There was an additional level of scrutiny for initiatives over \$1 million.
- In the first-tier package, we only recommend one initiative for over \$1 million receive full funding (rebuild of the stop bank to protect the Waipawa Drinking Water Treatment Plant)

in Hawke’s Bay for \$2.5 million). This initiative received the highest average assessment score. The alternative infrastructure option would be to move the water treatment plant to higher ground, at an estimated cost more than \$6 million. While the Hawke’s Bay agreed to a cost-share arrangement with the Crown, this initiative was deemed to be out of scope, so it is appropriate that it be considered for funding via the Flood Resilience Fund.

- Many of the larger-cost initiatives grouped together several elements, some of which do not meet the purpose and objectives of the Flood Resilience Fund. For these initiatives we recommend partial funding for the discrete elements of the initiatives that qualify for this funding. The alternative would be to not fund at all, which would forego the urgent risk mitigation benefits and that would unnecessarily disadvantage regions that grouped projects into single initiatives versus the regions that submitted smaller individual initiatives.
- Two large initiatives relate to removing woody debris in waterways—the approach to these types of projects is addressed below in para 37.

37. The CRU recommends providing partial funding to Wellington (Masterton) and to Northland (Far North, Kaipara, Whangārei) initiatives that include removal of fallen trees from blocking rivers. As described in Table 3, both initiatives include elements that go beyond the scope of the Flood Resilience Fund. Fully funding the two initiatives would commit nearly \$13.1 million (\$7.5 million for Wellington and \$5.6 million for Northland). While it is prudent to provide some Crown investment to support these activities, full funding is not appropriate, particularly in the context of the need to discuss potential funding routes for the removal of woody debris Tairāwhiti, as raised by the RRP triage process.¹⁶

38. A final assessment of the overall packages of funding considered the total unfunded amount across each region. In addition to the rationale described above, it is worth noting that:

- Three of the Thames-Coromandel initiatives were deemed out of scope; each was seeking more than \$3.5 million. These out-of-scope proposals skew the overview of unfunded initiatives.
- In addition to the fact that the Wairarapa initiative includes two out-of-scope project elements, the CRU notes that the work is not focused on the most severely affected part of the region. There are likely 9-12 category 3 properties in Tīnui that would be a potential candidate for funding via the National Resilience Plan (NRP) or the Flood Resilience Fund (should Ministers decide to progress a second tranche of funding).

Officials recommend a second tranche of funding

39. If all three tiers are agreed to as recommended, you would be committing 40% of the fund now, which will ensure immediate cost pressures are supported for low-regrets initiatives that local authorities are imminently ready to get underway. The remaining portion of the fund could be committed through a second tranche of funding decisions, as signalled in briefing DPMC-2023/24-116. The CRU considers the process could be initiated in November, with funding decisions to be made early in 2024.

40. As the CRU has engaged with local authorities, it has become apparent that they are still considering flood resilience options, particularly relating to the approach to risk mitigation for

¹⁶ Funding for removal of woody debris and silt will be addressed in report on the outcome of the Regional Recovery Plan triage process (briefing DPMC-2023/24-335) that will be provided later this week.

residential properties. The Flood Resilience Fund could be a pathway for high-priority, straightforward flood risk mitigation initiatives [DPMC-2023/24-305 refers]. A second tranche of funding decisions would align with implementation of FOSAL policy and the progress of other NIWE-affected regions as they identify category 2 flood risk mitigation initiatives that come to light as properties are assessed.

41. The recommended timing for a potential second tranche balances the desire to relieve cost pressures and to support initiatives that are ready to advance in the near term with the opportunity to give local authorities a bit more time to progress project planning, including determining milestones and costings that they were unable to prepare in time for the first tranche of funding. It will also give local authorities the opportunity to refine priorities and options after considering decisions that will be communicated in the coming weeks about RRP and the FOSAL cost-sharing approach for other NIWE-affected regions.
42. As with the initial tranche, all communications about the Flood Resilience Fund would make it clear that the fund is focused on relatively small, near-term risk projects; more complex, longer-term initiatives would be better suited to the business case process of the NRP.
43. While the Flood Resilience Fund is prioritising initiatives that are ready to get underway, the CRU also recommended that to help ease the significant capacity and capability issues being faced by councils, up to \$1 million per region was considered to support local authorities to complete preparatory investigation or feasibility work for longer-term initiatives [DPMC-2023/24-116 refers]. While none of the initiatives proposed for the first tranche of funding fit into this category, we recommend that this principle carry through if a second tranche is advanced.
44. Instead of progressing a second tranche of funding from the Flood Resilience Fund, the balance of the tagged contingency after the initial tranche of funding is agreed could be reallocated to the NRP business case process. However, the CRU considers there is merit in preserving a pathway to progress urgent, relatively small projects that can deliver tangible benefits through a more streamlined process than the full NPR business case process. Should there be unallocated funds remaining after the second tranche of funding decisions, we would have confidence that local authorities had adequate opportunity to access the fund and at that point would recommend reallocating any remaining funds to the NRP.

Treaty of Waitangi considerations and te ao Māori perspective

45. Initiatives were assessed based on whether they were jointly submitted or supported by relevant iwi/Māori. Assessors were also asked to consider whether relevant iwi/Māori had been engaged in the development of the initiative and/or if there is a plan for how they will be engaged as the initiative is rolled out. For a few initiatives, iwi/Māori engagement is a core component.
46. The funding recommendations also consider where iwi-prioritised or iwi-led initiatives can be provided additional support to develop or refine the proposal rather than dismissing them from

progressing (e.g., Resilient Homes – Elevating Tairāwhiti)—supporting a locally led recovery while still providing assurance that the fund is well spent.

Financial implications

47. The Local Government Flood Resilience Co-investment Fund is a \$100 million operating fund sitting with DIA in a tagged contingency. The funding will need to be drawn down into an appropriation to give effect to the decisions in this paper and before any expenses can be incurred.
48. Given the decision for the CRU to oversee administration of the fund [EWR-23-MIN-0074 refers], we recommend that joint Ministers agree to draw down the tagged operating contingency funding into a suitable new appropriation in Vote Prime Minister and Cabinet.
49. The tagged operating contingency expires on 30 June 2024. So long as funding decisions for initiatives that extend beyond the expiry are made by 30 June 2024, the funding can be rephased and allocated across 2023/24 and 2024/25 as necessary.

Next steps

50. We recommend that you share this advice and/or the regional summary of initiatives submitted to the Local Government Flood Resilience Co-investment Fund (Attachment A) to the lead Minister for each NIWE-affected region for their information.
51. As agreed by EWR on 30 August, funding agreements for the Flood Resilience Fund will be administered by the CRU [EWR-23-MIN-0074 refers]. The CRU and the Treasury are negotiating in principle the role of CIP in delivery of the Crown's financial support for councils, including how CIP may support the CRU to administer the Crown's financial support for risk mitigation interventions, including initiatives funded through the Flood Resilience Fund. Further advice on the proposed role of the CIP will be provided to responsible Ministers on 20 September.

Communications

52. We propose aligning communication for approved Flood Resilience Fund initiatives with the announcement on the RRP triage process outcome.¹⁷ Combining them would provide a more complete picture of the funding allocated per region and give councils clarity on what projects could be progressed. However, there is potential for some confusion about funding streams if the announcements are combined. Additionally, as RRP communications are already quite complex, combining the communications could risk the Flood Resilience Fund decisions being overshadowed.
53. Alternatively, the Flood Resilience Fund announcement could be made separately, either before or after the RRP announcement. If you prefer to announce the two separately, the CRU considers there to be a slight benefit to making the Flood Resilience Fund announcement first; in this case, we would ensure the RRP communications reflect the funding received by each

¹⁷ Update on the RRP triage process, including the communications plan, will be provided to Minister and Associate Minister for Cyclone Recovery later this week in briefing DPMC-2023/24-335.

region from the Flood Resilience Fund. If the RRP announcement is made first, there is more potential for confusion about requested versus available funding streams.

- 54. We will work with your offices on draft media release(s), reflecting your preference for making a combined or separate announcements.
- 55. Timed just ahead of the media release, the CRU will advise council CEs via email of the Flood Resilience Fund decisions. Should you agree to proceed with a second tranche of the Flood Resilience Fund, we will include indicative information on process and timing in our communications to CEs.
- 56. Lead regional recovery ministers will also be provided draft media releases with detail of the Flood Resilience Fund initiatives being supported by the Crown in their regions.

Attachments:	Title	Security classification
Attachment A:	Regional summary of initiatives submitted to the Local Government Flood Resilience Co-investment Fund	IN CONFIDENCE UNCLASSIFIED

Released under the Official Information Act 1982

Attachment A: Regional summary of initiatives submitted to the Local Government Flood Resilience Co-investment Fund

Released under the Official Information Act 1982

Attachment A: Regional summary of initiatives submitted to the Local Government Flood Resilience Co-investment Fund

Auckland – The one initiative that was submitted is not recommended for funding.

Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
16	Paerata Culvert Upgrade and Downstream Erosion Protection	Upgrading Paerata Culvert to a bridge—currently a major flow restriction on the Whangapouri Stream, located in Pukekohe. While there are clear benefits of the overall project, it is not clear that the Flood Resilience Fund is the most appropriate funding pathway. The CRU has recommended this initiative could be considered in a potential second tranche of funding if not funded through the cost-share agreement.	\$9(2)(b)(ii)	\$0	Not recommended
Total				\$0	

Tairāwhiti – Two initiatives were submitted; both are recommended for funding.

Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
01a	Enhanced Flood Intelligence and Resilience	The portion of the initiative recommended for first-tier funding is for purchase and installation of monitoring equipment, including installation of redundant telemetry systems and enhancement of monitoring technology.	\$1,200,000	\$200,000	Tier 1
01b		The flood modelling portion of this initiative is recommended for funding as part of the second-tier package. Comprehensive and accurate monitoring (first-tier element), coupled with improved forecasting precision, will provide residents with timely alerts, and enable more effective disaster response and management.		\$1,000,000	Tier 2
10	Resilient Homes – Elevating Tairāwhiti	This initiative will advance flood preparedness by implementing property-level measures to reduce vulnerability and mitigate significant risks. The CRU recommends the funding be earmarked in principle while officials work with CIP and the local authority to provide due diligence.	\$15,000,000	\$15,000,000	Tier 2
Total			\$16,200,000	\$16,200,000	

Hawke's Bay – The one submitted initiative is recommended for funding.

Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
02	Stop bank to protect the Waipawa Drinking Water Treatment Plant	This is a top priority project for the region that would protect the supply of safe drinking water for approximately 3,200 people and gives confidence in the continuation of longer-term solutions to provide a second water supply to 4,730 people.	\$2,500,000	\$2,500,000	Tier 2
Total			\$2,500,000	\$2,500,000	

Northland – Seven initiatives were submitted; six are recommended for funding.

Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
03	Robert Street Stormwater	This Kaipara initiative involves construction of an emergency stormwater upgrade in Mangawhai, including the installation of a new stormwater pipeline, catchpits, manholes and outfall treatment to mitigate the flooding threat to habitable floors.	\$500,000	\$500,000	Tier 1
04	Awakino Railway Embankment Stabilization	This Kaipara initiative will stabilise the embankment to reduce the risk of another sudden mass release of flood waters that damaged homes, businesses, and the Dargaville Wastewater Treatment Plant during the NIWE.	\$400,000	\$400,000	Tier 1
05	Dargaville Wastewater Treatment Plant Pond Heightening	This Kaipara initiative seeks to heighten the existing bunds around the wastewater treatment ponds. During the NIWE, flood waters inundated the maturation pond and damaged electrical equipment and control panels and narrowly avoided a mass release of raw sewerage.	\$650,000	\$650,000	Tier 1
11	Flood-resilient Māori communities and marae	This initiative will reduce the risk of flooding in six flood-affected Māori communities and a number of marae across Te Taitokerau. It also includes flood risk reduction actions for a priority subset of the 35 marae across region currently exposed to 100-year flood events. The CRU has recommended that the local authority be instructed to work with the CRU and CIP to provide assurance on the costs and project timeline.	\$4,205,000	\$4,205,000	Tier 2
12	Flood intelligence and early warning	This initiative in Far North, Whangārei, and Kaipara relates to an early warning system that would reduce risks to life. This type of technical modelling is key to improving resilience. Consistent with modelling projects, CRU recommends this initiative be funded as part of the second-tier package.	\$560,000	\$560,000	Tier 2

Attachment A:
Regional summary of initiatives submitted to the Local Government Flood Resilience Co-investment Fund

14	Ngā Manga Atawhai	This collaborative initiative aims to build Northland's resilience to future events by tackling the problem of fallen and at-risk tree. The CRU has recommended funding a scaled-down portion of this initiative. It does not appear that most of the work described in the proposal relates to flood risk mitigation. We recommend that the initiative be advanced to receive further consideration, but that the local authority be instructed to work with the CRU and CIP to provide assurance that the costs and project timeline are appropriate.	\$5,570,000	\$2,070,000	Tier 3
17	Dargaville Stop Bank Repairs	This Kaipara initiative is for the repair of two sections of the stop banks that protect Dargaville township from flooding. While these repairs respond to damage that was identified after the cyclone, the damage is not related to the NIWE.	s9(2)(b)(ii)		Not recommended
Total				\$8,385,000	

Waikato (including Thames-Coromandel) – Six initiatives were submitted; three are recommended for funding.

Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
06	Grahams Creek Flood Scheme Enhancement	This initiative will re-design and upgrade the weir to increase resilience to future weather events and improve flood scheme performance.	\$330,800	\$330,800	Tier 1
07	Coromandel River Resilience Initiative	The CRU recommends funding the instream capacity works and instream erosion protection (e.g., gravel management and obstruction removal) portion of this initiative. The felling of at-risk trees and native planting can progress over a longer period through the council's annual operating budget.	\$3,300,000	\$708,000	Tier 1
13a	Port Waikato Three-Waters Resilience Work	The CRU recommends that the flood modelling portion of this initiative be funded as part of the second-tier package. Funding modelling in this package is consistent with the overall approach to modelling proposals.	\$2,850,000	\$350,000	Tier 2
13b	Port Waikato Three-Waters Resilience Work	The CRU recommends funding the Flood Prevention, Stabilisation and Rehabilitation portion of this initiative, less \$500,000 for project management, which officials consider should constitute the local contribution. The CRU recommends that the local authority be instructed to work with CIP to provide assurance that the costs and project timeline are appropriate, as serious concerns were raised concerning the feasibility and delivery timeline.		\$2,000,000	Tier 3
18	TCDC's Shoreline Management Pathways Implementation - Thames	This initiative includes tasks that need to be undertaken as a precursor to new stop banks. While likely a valuable resilience project, this initiative does not relate to the NIWE.	s9(2)(b)(ii)		Not recommended
19	TCDC's Shoreline Management Pathways Implementation - Tairua	This initiative is to reduce the coastal inundation risk to properties, a first step in the implementation phase of the TCDC's Shoreline Management Pathways Project. While likely a valuable resilience project, this initiative does not relate to the NIWE.	s9(2)(b)(ii)		Not recommended
20	TCDC's Shoreline Management Pathways Implementation – Te Puru	This initiative is the construction of a new short-term defence for Te Puru, a first step in the implementation phase of the TCDC's Shoreline Management Pathways Project. While likely a valuable resilience project, this initiative does not relate to the NIWE.	s9(2)(b)(ii)		Not recommended
Total				\$3,388,800	

Manawatū-Whanganui – Two initiatives were submitted; both are recommended for funding.

Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
08a	Flood forecasting & communication resilience upgrade	The CRU has recommended funding improvements to early warning systems and more resilient communications (including power supplies and removing resilience on cell phone communication) in the first-tier package. This type of work to improve resilience and remove potential for failures/outages that cascade widely across the critical infrastructure system is in line with the objectives of the Infrastructure Action Plan.	\$3,645,000	\$2,645,000	Tier 1
08b		The CRU recommends including the flood mapping and assessing regional vulnerability element of this initiative, consistent with the overall approach to modelling proposals.		\$1,000,000	Tier 2
09	Reducing risks to people and houses in the Pohangina Catchment	A key part of this initiative to reduce risks to people and houses in the Pohangina Catchment to reduce the perception of risk and anxiety around future events causing further damage.	\$640,000	\$640,000	Tier 1
Total			\$4,285,000	\$4,285,000	

**Attachment A:
Regional summary of initiatives submitted to the Local Government Flood Resilience Co-investment Fund**

Wellington (Wairarapa) – One initiative was submitted; it is recommended to be partially funded.					
Ref #	Initiative title	Initiative overview	Funding sought	Funding rec	Funding tier
15	Recovery and Flooding Resilience Works	This initiative comprises three distinct projects, only one of which is related to the NIWE. The CRU has recommended funding up to \$3.5 million to remove the blockages from recent storms in the Eastern rivers to mitigate the potential for rivers to leave their channels and travel across land. The CRU has recommended the local authority be instructed to work with the CRU and CIP to provide assurance on the costs and project timeline.	\$7,515,000	\$3,500,000	Tier 3
Total			\$7,515,000	\$3,500,000	

Released under the Official Information Act 1982



Coversheet

Briefing: Appropriations approval to drawdown \$10 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Task Force

Date:	27/09/2023	Report No:	DPMC-2023/24-396
		Security Level:	IN CONFIDENCE UNCLASSIFIED
		Priority level:	[High]

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	agree a drawdown of \$10,000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs for the Hawke's Bay Silt Recovery Taskforce.	27/09/2023
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)	✓
Graham MacLean	Executive Director, Planning, Reporting and Assurance	s9(2)(a)	

Departments/agencies consulted on Briefing

The Treasury and Department of Internal Affairs were consulted on this briefing.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: No

Briefing

Appropriations approval to drawdown \$10 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Task Force

To: Hon Grant Robertson
Minister of Finance

Hon Kieran McAnulty
Minister of Local Government

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

Date 27/09/2023

Security Level ~~IN CONFIDENCE~~ UNCLASSIFIED

Purpose

1. This briefing provides recommendations to give effect to the decision taken by Ministers on 25 September 2023 to provide an additional \$10.000 million from the Local Government Flood Resilience Co-investment Fund to the Hawke's Bay region to extend sediment and debris removal operations to November 2023, [DPMC-2023/24-384 refers].

Recommendations

We recommend you:

1. **note** that as part of the Budget 23 package, Cabinet:
 - 1.1. **authorised** the Minister of Finance and the Minister of Local Government (Joint Ministers), for each contingency initiative, jointly to agree:
 - 1.1.1. the work that needs to be completed or other conditions that need to be satisfied before the contingency is drawn down into appropriations.
 - 1.1.2. whether the draw down into appropriations requires Cabinet approval or the approval of Joint Ministers.
 - 1.1.3. the expiry date of contingency funding.
 - 1.1.4. any related recommendations necessary to give effect to the contingency initiative.

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Taskforce

DPMC-2023/24-396

1.2. **agreed** to establish the Local Government Flood Resilience Co-investment Fund tagged operating contingency associated with the Local Government portfolio of up to the following amounts to provide a contestable fund for the proactive management of climate exacerbated flood risk:

	\$m – increase/(decrease)			
	2023/24	2024/25	2025/26	2026/27
Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency	100.000	-	-	-

2. **note** that subsequently the Minister of Finance and the Minister of Local Government, as joint Ministers:

2.1. **agreed** that the Minister of Local Government, Minister for Regional Economic Development, Minister for Climate Change, and the Minister of Finance could jointly:

2.1.1. agree to the terms of the fund, including eligibility criteria.

2.1.2. along with any other appropriation Ministers as necessary, draw down the above tagged operating contingency (establishing any new appropriations as required) following agreement to the work, once the eligibility criteria of the fund have been agreed.

3. **note** that, in August 2023, the Extreme Weather Recovery committee agreed to amend joint Ministerial responsibilities on the Flood Resilience Fund, authorising the Minister for Cyclone Recovery and Minister of Local Government, along with any other appropriation Ministers as necessary, to make drawdown decisions [EWR-23-MIN-0074 refers].

4. **note** that the fund is focused on support for local authorities in areas impacted by the recent North Island Weather Events (NIWE) to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.

5. **note** that on 25 September 2023 Ministers' Robertson, Edmonds, McAnulty, O'Connor, and Henare agreed to utilise this fund to provide an additional \$10.000 million to support the removal of sediment and debris in the Hawke's Bay region [DPMC-2023/24-384 refers].

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Taskforce

DPMC-2023/24-396

6. **approve** the following changes to appropriations to give effect to the decision in recommendation 5 above, with a corresponding impact on operating balance and net debt:

YES / NO

Vote Internal Affairs Minister of Local Government	\$m – increase/(decrease)			
	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure: Sediment and Debris Management Support MCA Non-Departmental Other Expense: Sediment and Debris Management Support - Local Authorities	10.000	-	-	-

7. **agree** that the proposed changes to appropriations for 2023/24 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

YES / NO

8. **agree** that the expenses incurred under recommendation 7 above be charged against the Local Government Flood Resilience Co-investment Fund – tagged operating contingency described in recommendation 1 above.

YES / NO


9. **note** that following the drawdown detailed in recommendation 7 above, as well as the previous adjustment [DPMC-2023/24-287 refers], the remaining balance of the Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency will be:

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency	51.241	-	-	-	-

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Taskforce

DPMC-2023/24-396

10. **note** that the Department of Internal Affairs (DIA) already has a funding agreement in place with Hawke's Bay Regional Council related to Sediment and Debris Management Support and the additional funding will be provided as an extension of the existing agreement.
11. **note** that once this appropriation is approved the total Government funding provided to Hawke's Bay to support the removal of sediment and debris is \$162.200 million.
12. **note** that there will be no further Government funding to support Hawke's Bay silt removal operations and this has been communicated to the Chief Executive of the Hawke's Bay Recovery Agency.


Katrina Casey
Chief Executive Cyclone Recovery

27/09/2023

Hon Grant Robertson
Minister of Finance

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

Hon Kieran McAnulty
Minister of Local Government

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

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

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

Background

1. On 25 September 2023 Ministers' Robertson, Edmonds, McAnulty, O'Connor, and Henare agreed to utilise 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].
2. This additional \$10.000 million will extend Silt Recovery Taskforce operations into November 2023 which covers the planting season.
3. This takes the total Government funding provided to the Hawke's Bay region to support the removal of sediment and debris to \$162.200 million.

Local Government Flood Resilience Co-investment Fund

4. The Local Government Flood Resilience Co-investment Fund is focused on support for local authorities in areas impacted by the recent North Island Weather Events (NIWE) to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.
5. There is \$61.241 million remaining in the Fund after the first tranche of initiatives was agreed on 18 September [DPMC-2023/24-287 refers]. There will be \$51.241 million remaining after providing \$10.000 million to the Hawke's Bay region to support the removal of sediment and debris over the planting season. The work enabled by the Fund will be completed by the end of November 2023.
6. While sediment and debris removal can contribute to reducing flood risk, it does not strictly adhere to the purpose of the fund. However, the work does align with the Ministerial direction that the fund be made available to local authorities to manage near-term costs associated with Future of Severely Affected Locations (FOSAL) work.
7. When reviewed against the fund's criteria, the urgency of the work and its alignment with other post-NIWE recovery activity make the sediment removal operations a reasonable option for use of the fund. The work is already underway, which indicates a high probability of deliverability, and it will have implications for economic outcomes beyond the flood mitigation benefits [DPMC-2023/24-116 refers].

Next Steps

8. Following approval of the drawdown, DIA officials will provide \$10.000 million to the Hawke's Bay Regional Council.

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to support the Hawke's Bay Silt Recovery Taskforce

DPMC-2023/24-396



Coversheet

Briefing: Appropriations approval to drawdown \$10 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to end of November 2023

Date:	7/11/2023	Report No:	DPMC-2023/24-478
		Security Level:	IN CONFIDENCE UNCLASSIFIED
		Priority level:	[High]

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	agree a drawdown of \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs for the Hawke's Bay Silt Recovery Taskforce.	6/11/2023
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
The Treasury, Department of Internal Affairs and Ministry for Primary Industries

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: No

Briefing

Appropriations approval to drawdown \$10 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Task Force to end of November 2023

To: Hon Grant Robertson
Minister of Finance

Hon Kieran McAnulty
Minister of Local Government

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

Date 7/11/2023

Security Level

~~IN CONFIDENCE~~ UNCLASSIFIED

Purpose

1. This briefing provides recommendations to give effect to the decision taken by Ministers on 3 November 2023 to provide an additional \$10.000 million from the Local Government Flood Resilience Co-investment Fund to the Hawke's Bay region to sustain sediment and debris removal operations to the end of November 2023, [DPMC-2023/24-454 refers].

Recommendations

We recommend you:

1. **note** that as part of the Budget 23 package, Cabinet:
 - 1.1. **authorised** the Minister of Finance and the Minister of Local Government (Joint Ministers), for each contingency initiative, jointly to agree:
 - 1.1.1. the work that needs to be completed or other conditions that need to be satisfied before the contingency is drawn down into appropriations.
 - 1.1.2. whether the draw down into appropriations requires Cabinet approval or the approval of Joint Ministers.
 - 1.1.3. the expiry date of contingency funding.

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to the end of November 2023

DPMC-2023/24-478

1.1.4.any related recommendations necessary to give effect to the contingency initiative.

1.2. **agreed** to establish the Local Government Flood Resilience Co-investment Fund tagged operating contingency associated with the Local Government portfolio of up to the following amounts to provide a contestable fund for the proactive management of climate exacerbated flood risk:

	\$m – increase/(decrease)			
	2023/24	2024/25	2025/26	2026/27
Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency	100.000	-	-	-

2. **note** that subsequently the Minister of Finance and the Minister of Local Government, as joint Ministers:

2.1. **agreed** that the Minister of Local Government, Minister for Regional Economic Development, Minister for Climate Change, and the Minister of Finance could jointly:

2.1.1.agree to the terms of the fund, including eligibility criteria.

2.1.2.along with any other appropriation Ministers as necessary, draw down the above tagged operating contingency (establishing any new appropriations as required) following agreement to the work, once the eligibility criteria of the fund have been agreed.

3. **note** that, in August 2023, the Extreme Weather Recovery committee agreed to amend joint Ministerial responsibilities on the Flood Resilience Fund, authorising the Minister for Cyclone Recovery and Minister of Local Government, along with any other appropriation Ministers as necessary, to make drawdown decisions [EWR-23-MIN-0074 refers].

4. **note** that the fund is focused on support for local authorities in areas impacted by the recent North Island Weather Events (NIWE) to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.

5. **note** that when reviewed against the fund’s agreed-upon criteria, the urgency of the work and its alignment with other post-NIWE recovery activity sediment removal operations are a reasonable option for use of the fund.

6. **note** that the Hawke’s Bay region received \$10.000 million from this fund at the end of September 2023 to support targeted sediment and debris removal operations through to the end of November 2023 [DPMC-2023/24-396 refers].

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke’s Bay Silt Recovery Taskforce to the end of November 2023	DPMC-2023/24-478
---	-------------------------

7. **note** that, after consultation with the incoming government, on 3 November 2023 Ministers Robertson, Edmonds and McAnulty agreed to utilise this fund to provide an additional \$10.000 million to sustain the Silt Recovery Taskforce operations in the Hawke's Bay region to the end of November 2023 [DPMC-2023/24-454 refers].
8. **approve** the following changes to appropriations to give effect to the decision in recommendation 7 above, with a corresponding impact on operating balance and net debt:

YES / NO

Vote Internal Affairs Minister of Local Government	\$m – increase/(decrease)			
	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure: Sediment and Debris Management Support MCA Non-Departmental Other Expense: Sediment and Debris Management Support - Local Authorities	10.000	-	-	-

9. **agree** that the proposed changes to appropriations for 2023/24 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.
10. **agree** that the expenses incurred under recommendation 8 above be charged against the Local Government Flood Resilience Co-investment Fund – tagged operating contingency described in recommendation 1 above.
11. **note** that following the drawdown detailed in recommendation 8 above, as well as the previous adjustments [DPMC-2023/24-287 and DPMC-2023/24-396 refer], the remaining balance of the Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency will be:

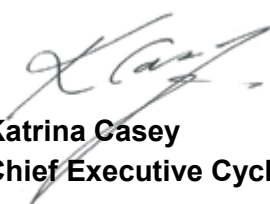
YES / NO

YES / NO

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Local Government Flood Resilience Co-investment Fund Tagged Operating Contingency	41.241	-	-	-	-

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to the end of November 2023	DPMC-2023/24-478
---	-------------------------

12. **note** that the DIA already has a funding agreement in place with Hawke's Bay Regional Council related to Sediment and Debris Management Support and the additional funding will be provided as an extension of the existing agreement.
13. **note** that once this appropriation is approved the total Government funding provided to Hawke's Bay to support the removal of sediment and debris is \$172.200 million.
14. **note** that the Hawke's Bay Regional Council and Hastings District Council will be advised that this additional funding is provided on the condition that any further Crown funding towards the removal of sediment and debris has a contribution from the regional council.
15. **note** that a further condition on the provision of this funding is that the Hawke's Bay region will not receive further funding for any purpose from the Local Government Flood Resilience Co-investment Fund.
16. **note** that we expect a further request from Hawke's Bay for approximately \$70.000 million by mid-November before this additional funding is exhausted and that officials are drafting further advice now in anticipation of this request.


Katrina Casey
Chief Executive Cyclone Recovery

07/11/2023

Hon Grant Robertson
Minister of Finance

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

Released under the Official Information Act 1982

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to the end of November 2023	DPMC-2023/24-478
---	-------------------------

Hon Kieran McAnulty
Minister of Local Government

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

Hon Barbara Edmonds
Associate Minister for Cyclone Recovery

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

Released under the Official Information Act 1982

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to the end of November 2023	DPMC-2023/24-478
---	-------------------------

Background

1. At the end of September 2023, the Hawke's Bay region received an additional \$10.000 million from the Local Government Flood Resilience Co-investment Fund to support the removal of sediment and debris [DPMC-2023/24-396 refers]. It was expected at the time that this funding would be sufficient to support targeted sediment removal operations to cover the planting season through to the end of November 2023.
2. On 3 November 2023, after consultation with the incoming government, Ministers Robertson, Edmonds and McAnulty agreed to utilise the Local Government Flood Resilience Co-investment Fund to provide a further \$10.000 million to the Hawke's Bay region to sustain the Silt Recovery Taskforce operations to the end of November 2023 [DPMC-2023/24-454 refers].
3. This additional funding is provided on the conditions that the Hawke's Bay region will not receive any further funding for any purpose from the Local Government Flood Resilience Co-investment Fund and any further Crown funding towards sediment and debris removal in the region has a contribution from the regional council.
4. This takes the total Government funding provided to the Hawke's Bay region to support the removal of sediment and debris to \$172.200 million.
5. We expect a further request from Hawke's Bay by mid-November for approximately \$70.000 million to extend Silt Recovery Taskforce operations into 2024. Officials are drafting further advice in anticipation of this request and the need to provide Crown support for woody debris removal in the Tairāwhiti region.

Local Government Flood Resilience Co-investment Fund

6. The Local Government Flood Resilience Co-investment Fund is focused on support for local authorities in areas impacted by the recent North Island Weather Events (NIWE) to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk.
7. There is \$51.241 million remaining in the Fund after the first tranche of regional flood resilience initiatives was agreed on 18 September [DPMC-2023/24-287 refers] and the additional funding of \$10.000 million awarded to Hawke's Bay at the end of September 2023 [DPMC-2023/24-396 refers]. There will be \$41.241 million remaining after providing a further \$10.000 million to the Hawke's Bay region to sustain the removal of sediment and debris through to the end of November 2023.
8. While sediment and debris removal can contribute to reducing flood risk, it does not strictly adhere to the purpose of the fund. However, the work does align with the Ministerial direction that the fund be made available to local authorities to manage near-term costs associated with Future of Severely Affected Locations (FOSAL) work.
9. When reviewed against the fund's agreed-upon criteria, the urgency of the work and its alignment with other post-NIWE recovery activity make the sediment removal operations a reasonable option for use of the fund. The work is already underway, which indicates a high probability of deliverability, and it will have implications for economic outcomes beyond the flood mitigation benefits [DPMC-2023/24-116 refers].

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to the end of November 2023

DPMC-2023/24-478

Next Steps

10. Once the drawdown is approved, officials will provide \$10.000 million to the Hawke's Bay region.

Released under the Official Information Act 1982

Briefing: Appropriations approval to drawdown \$10.000 million from the Local Government Flood Resilience Co-investment Fund to Vote Internal Affairs to sustain the Hawke's Bay Silt Recovery Taskforce to the end of November 2023

DPMC-2023/24-478

27 October 2023

Hon. Grant Robertson
Minister of Finance
Parliament Buildings
WELLINGTON

Via email: grant.robertson@parliament.govt.nz

Dear Minister Robertson

We are writing to request further support to continue the silt clean-up operation in Hawkes Bay. We seek funding to enable works to continue while any future longer-term decisions about silt are considered.

To date, **\$143.2 million** has been allocated to silt and debris removal and disposal across the region. This funding has been spent or committed. It is estimated **2.5 million tonnes** of sediment and debris has been removed and managed across Hawke's Bay. We thank you very much for this assistance which has been greatly appreciated in the region.

As you know, in September 2023, \$12m was approved to be transferred from the Commercial fund to the Local Authority Fund. At the end of September, your government provided an additional \$10m of funding to allow sediment and debris collection and management to continue into October 2023. This additional Government provided support has been essential in enabling more land to return to production.

The last quarter has seen a considerable focus on the clean-up effort, with contractors ramping up in July/August with drier weather and more efficient operations. During September, there was an enforced downscaling of operations due to forecast cost of projected work being likely to exceed the budget available.

We have reached the point where insufficient funding remains to complete all the jobs registered in the system, with an estimated 1.2 million m3 of sediment and debris in the system waiting to be collected.

To ensure this work programme does not stop completely, we request an additional \$10m funding to continue the programme until the end of November 2023. This funding is required as soon as possible to ensure the programme continues while the decisions around the future of the programme are considered.

If we do not receive additional funding we anticipate:

- Further loss of contractors from the programme
- Abandoned silt piles causing nuisance/ H&S risk/ attracting fly tipping

- Inability to support the commercial fund where landowners are still cleaning up using grants received
- Delayed and, worst case, lost horticulture planting and production.
- Impacts on reinvestment if capital is required to be applied to clean up rather than replanting, with flow-on impacts to regional employment, production, and exports.
- Loss of guaranteed contractor rates in the future, which could increase costs by 10-15%
- Loss of existing resource with knowledge of how the programme runs and what works/ doesn't
- Dust risk worsened by silt piles remaining in situ
- Missed opportunity of working through best weather conditions
- Community unrest and uncertainty.

The programme's integrity has remained important throughout, and PWC are currently undertaking a quality assurance review on our behalf.

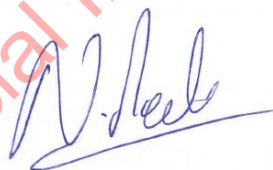
We are very appreciative of the help Government has provided to the region to date, particularly in respect of this programme. Your support of this additional funding would enable valuable work to be continued and resource to be retained while longer term support for the programme is considered.

Thank you for your consideration.

Yours sincerely,



Nigel Bickle
Chief Executive
Te Kaunihera-ā-rohe o Heretaunga
Email: nigelb@hdc.govt.nz



Dr Nic Peet
Chief Executive
Hawke's Bay Regional Council
Email: nic.peet@hbrc.govt.nz

Released under the Official Information Act 1982

Hon Grant Robertson

MP for Wellington Central

Minister of Finance

Minister for Sport and Recreation

Minister for Cyclone Recovery

Leader of the House



7 November 2023

Dr Nic Peet
Chief Executive
Hawke's Bay Regional Council
nic.peet@hbrc.govt.nz

Mr Nigel Bickle
Chief Executive
Hastings District Council
nigelb@hdc.govt.nz

Tēnā kōrua Nic and Nigel

Additional support for the Hawke's Bay Silt Recovery Taskforce

Thank you for your letter dated 27 October requesting further Crown support to continue silt clean-up operations in the Hawke's Bay region.

As you know, the government provided an additional \$10 million at the end of September which, at the time, we expected to be sufficient to support targeted sediment removal operations to cover the planting season through to the end of November. This funding was provided from the Local Government Flood Resilience Co-investment Fund. This additional funding has not lasted as long as expected.

Ministers have consulted with the incoming government and agreed to fund your request for a further \$10 million from the Local Government Flood Resilience Co-investment Fund to continue Silt Recovery Taskforce operations to the end of November 2023. The Crown has provided very significant support to the Hawke's Bay region to enable silt recovery operations. In providing you this further \$10 million, Ministers have decided that the Hawke's Bay region will not receive any further funding for any purpose from this fund.

In future, any additional funding requests for sediment removal would only be considered on the condition that there is also a funding contribution from the Hawke's Bay region. Please ensure any future funding requests detail how the region will also be contributing to the continuation of the Taskforce.

The Cyclone Recovery Unit will work with officials from the Department of Internal Affairs and Hawke's Bay Regional Council to ensure that the \$10 million is transferred as quickly as possible.

Yours sincerely

Hon Grant Robertson
Minister for Cyclone Recovery

CC Hon Kieran McAnulty, Minister of Local Government;
Hon Barbara Edmonds, Associate Minister for Cyclone Recovery



Coversheet

Briefing: Local Government Flood Resilience Co-investment Fund: Tranche 2 funding recommendations

Date:	14/12/2023	Report No:	DPMC-2023/24-510
		Security Level:	IN CONFIDENCE UNCLASSIFIED
		Priority level:	[High]

	Action sought	Deadline
Hon Nicola Willis Minister of Finance Hon Mark Mitchell Minister for Emergency Management and Recovery Hon Simeon Brown Minister of Local Government	agree to fund initiatives from the Local Government Flood Resilience Co-investment Fund	20/12/2023

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 Cyclone Recovery Unit	s9(2)(a)	s9(2)(a)	

Departments/agencies consulted on Briefing
The Treasury, Department of Internal Affairs, and the Ministry for the Environment were consulted on the contents of this briefing.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Local Government Flood Resilience Co-investment Fund: Tranche 2 recommendations

To: None			
Date	14/12/2023	Security Level	IN CONFIDENCE UNCLASSIFIED

Purpose

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

Executive Summary

2. As part of Budget 2023, a \$100 million fund was announced 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.
3. \$41.2 million remains available in the tagged operating contingency. Councils submitted 35 initiatives seeking a total of \$73.7 million in Crown funding from the second tranche of the Flood Resilience Fund.
4. The Cyclone Recovery Unit (CRU) has worked with the Treasury, Department of Internal Affairs (DIA), and the Ministry for the Environment (MfE) to assess near-term initiatives that can be funded to speed up the recovery.
5. You have a choice to either:
 - approve funding of the identified initiatives through the Flood Resilience Fund to support local authorities to accelerate delivery of priority risk mitigation initiatives (**recommended**);
 - OR
 - choose not to fund any initiatives and instead return the funding to the centre (**not recommended**).
6. Funding the recommended initiatives will advance risk mitigation projects so that people can move forward with their lives and be safer in the face of future severe weather events. Funding initiatives that are consistent with decisions made on the first tranche will also provide some parity across the NIWE-affected regions.
7. Not funding initiatives and returning funding to the centre is not recommended as it would delay certainty for communities.
8. If agreed as recommended, \$26.8 million would be provided to local authorities for initiatives proposed in the second tranche and you would take a paper to Cabinet on options on how best to utilise the balance of the fund.

Recommendations

We recommend you:

1. **note** that, on 30 August 2023, the Cabinet Extreme Weather Recovery committee agreed to amend joint Ministerial responsibilities on the Local Government Flood Resilience Co-investment Fund, authorising the Ministers for Cyclone Recovery and Local Government, along with any other appropriation Ministers as necessary, to make drawdown decisions;
2. **agree** to drawdown funding from the Local Government Flood Resilience Co-investment Fund to support local authorities to accelerate delivery of priority risk mitigation initiatives; **YES / NO**

Recs 3-10 are applicable only if Ministers agree yes to rec 2.

3. **agree** to EITHER (preferred option) fund initiatives as recommended in the flood risk mitigation package (\$12.282 million); **YES / NO**
 OR
 indicate in Table Three which (if any) initiatives should receive funding; **YES / NO**
4. **agree** to EITHER (preferred option) fund initiatives as recommended in the FOSAL Category 2 support package (\$14.524 million); **YES / NO**
 OR
 indicate in Table Four which (if any) initiatives should receive funding; **YES / NO**
5. **approve** the following change to appropriations to provide for the decisions in recommendations 3-4 (noting that figures may need to be amended manually here and in recommendations 6 and 9, depending on whether the preferred option is agreed), with a corresponding impact on the operating balance and net debt: **YES / NO**

Vote Prime Minister and Cabinet	\$m – increase/(decrease)			
	2023/24 to 2024/25	2025/26	2026/27	2027/28 & Outyears
Non-Departmental Other Expense: Flood Resilience Projects (MYA)	12.282	-	-	-
North Island Severe Weather Events (MYA)	14.524			
Total operating	26.806			


6. **note** that the indicative spending profiles for the multi-year appropriations described in recommendation 5 are:

Indicative annual spending profile	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Flood Resilience Projects (MYA)	6.862	7.662	-	-	-
North Island Severe Weather Events (MYA)	6.299	5.983	-	-	-
Total operating	13.161	13.645	-	-	-

7. **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
8. **agree** that the expenses incurred under recommendation 5 be charged against the Local Government Flood Resilience Co-investment Fund tagged operating contingency; YES / NO
9. **note** that, following the adjustments detailed in recommendation 5 (as well as previous adjustments agreed in DPMC-2023/24-287, 396, and 478), the remaining balance and indicative phasing of the Local Government Flood Resilience Co-investment Fund operating contingency will be:

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Local Government Flood Resilience Co-investment Fund – Tagged Operating Contingency	14.435	-	-	-	-

10. **agree** to a media release to announce the funding decisions; YES / NO
11. **agree** that the Chief Executive, Cyclone Recovery will inform the local authorities about the funding decisions; YES / NO
12. **direct** the CRU to prepare a Cabinet paper on options for utilising the balance of the tagged contingency for February 2024. YES / NO



Katrina Casey
Chief Executive Cyclone Recovery

14/12/2023

Hon Nicola Willis
Minister of Finance

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

Hon Mark Mitchell
Minister for Emergency Management and Recovery

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

Hon Simeon Brown
Minister of Local Government

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

Background

9. A \$100 million fund was approved in Budget 2023 for local authorities in areas impacted by the NIWE¹ to seek Crown co-investment to support the proactive management of climate-exacerbated flood risk. The Local Government Flood Resilience Co-investment Fund (Flood Resilience Fund) tagged contingency expires on 30 June 2024.
10. 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) – making people safer, sooner. Local authorities have been advised that the fund is not appropriate for complex, large-scale, or long-term infrastructure resilience projects.
11. Initiatives must have a local contribution, scaled to consider impacts and affordability. This approach is consistent with the cost-sharing arrangements that were negotiated with the three most severely affected regions for risk mitigation projects for Category 2 properties.
12. In May 2023, Ministers agreed that the design of the Flood Resilience Fund be progressed in conjunction with Future of Severely Affected Locations (FOSAL) work. In June, Treasury officials were instructed to ensure that the Flood Resilience Fund would be made available to local authorities to manage near-term costs associated with FOSAL. In August, terms of the fund, including eligibility criteria, were agreed and officials progressed a first tranche of proposals for consideration.
13. Ministers agreed to allocate \$38.8 million from the fund to support 16 initiatives in six of the affected regions. **Attachment A** provides a summary of the initiatives funded in tranche 1. The CRU has engaged Crown Infrastructure Partners (CIP) to administer the funding and to support and monitor delivery. Councils are reviewing the terms of funding agreements and the first payments from the fund will be distributed this month.
14. After the tranche 1 funding decisions, Ministers agreed to fund an additional \$20 million from the Flood Resilience Fund to further fund Silt Recovery Taskforce operations in Hawke's Bay. Following these decisions, the remaining available funds are \$41.2 million.

Drawdown decisions

15. The Minister for Emergency Management and Recovery and the Minister of Local Government (with any other appropriation Ministers as necessary) are jointly responsible for making drawdown decisions.² As per usual practice for any joint Ministerial decision that has financial implications, the Minister of Finance has been included in this briefing.

¹ The affected local authorities, as defined by the Severe Weather Emergency Recovery Legislation Act 2023, include: Auckland Council, Bay of Plenty Regional Council, Carterton District Council, Central Hawke's Bay District Council, Far North District Council, Gisborne District Council, Hamilton City Council, Hastings District Council, Hauraki District Council, Hawke's Bay Regional Council, Kaipara District Council, Kawerau District Council, Manawatu District Council, Manawatū-Whanganui Regional Council, Masterton District Council, Matamata-Piako District Council, Napier City Council, Northland Regional Council, Ōpōtiki District Council, Ōtorohanga District Council, Rangitikei District Council, Rotorua District Council, South Waikato District Council, South Wairarapa District Council, Taranaki District Council, Taupo District Council, Tauranga City Council, Thames-Coromandel District Council, Waikato District Council, Waikato Regional Council, Waipa District Council, Wairoa District Council, Waitomo District Council, Wellington Regional Council, Western Bay of Plenty District Council, Whakatane District Council, Whangarei District Council.

² On 30 August, the Cabinet Extreme Weather Recovery Committee agreed that funding agreements for the Flood Resilience Fund will be administered by the CRU and that the joint Ministerial responsibilities on the Flood Resilience Fund be amended, authorising the Minister for Cyclone Recovery and Minister of Local Government, along with any other appropriation Ministers as necessary, to make drawdown decisions [EWR-23-MIN-0074 refers].

A second tranche of funding to accelerate flood risk mitigation work

16. The first tranche of the Flood Resilience Fund was progressed on an abbreviated timeline so work could get underway to reduce risks from severe weather. The timing meant that some projects were not submitted because councils were waiting on engineers and geotechnical availability to assess options and whether to progress a FOSAL categorisation process.
17. In September 2023 the Minister for Cyclone Recovery asked the CRU to initiate a second tranche of the Flood Resilience Fund.
18. Local authorities submitted 35 initiatives seeking a total of \$73.7 million from the Flood Resilience Fund. Proposals were received from seven of the eight NIWE-affected regions:

Table One: Proposals received for tranche 2 funding

Regional summary of tranche 2 applications received		
Region	# of initiatives submitted	Total funding sought (\$m)
Auckland ³	0	-
Tairāwhiti	2	\$5.047
Hawke's Bay	2	\$10.170
Northland	9	\$5.832
Waikato (including Thames-Coromandel)	11	\$20.785
Bay of Plenty	1	\$7.324
Manawatū-Whanganui	1	\$1.675
Wellington (including Wairarapa)	9	\$22.881
Total	35	\$73.714

Progressing a second tranche before the end of 2023

19. Local authorities have made it clear that they need support for near-term recovery costs and are urgently awaiting funding decisions so they can provide certainty for residents, particularly regarding FOSAL categorisation and risk mitigation options. For example, the Waikato District Council intends to give property owners certainty before Christmas about the council's plan for addressing Category 2P remediation, which will provide assurance they will not be deemed Category 3 and therefore unsuitable for residential use.⁴

You could choose not to fund tranche 2 initiatives

20. Instead of funding any tranche 2 initiatives, all requests for Crown support for NIWE recovery work could be invited through a future budget process. This option would allow consideration of broader regional requirements raised by communities and councils, and other local government requests for investment in flood resilience.⁵ Officials do not recommend this option, as it would delay the recovery work and would prolong uncertainty for residents.

³ One proposal that was submitted in tranche 1 by Auckland Council was also reconsidered in this tranche.

⁴ Category 2P means that property-level interventions are needed to manage future severe weather event risk, possibly in tandem with community level interventions. 2C is for properties where community-level interventions are needed for managing future severe weather event risk. Category 3 is for areas where future severe weather event risk cannot be sufficiently mitigated; some land uses may remain acceptable, but residential use carries an intolerable risk of injury or death.

⁵ For example, the Regional and Unitary Councils Aotearoa / Te Uru Kahika proposal *Before the deluge: Building flood resilience in Aotearoa 2.0*.

Officials recommend funding 17 of the 35 submitted initiatives

21. Together, the two recommended funding packages include full funding for 16 initiatives and partial funding of one initiative. If agreed as recommended, support would be provided to the five NIWE-affected regions that do not have cost-share arrangements with the Crown:

Table Two: Regional summary of recommended tranche 2 support

Flood Resilience Fund – Regional summary of recommended tranche 2 support				
Region	Recommended versus # submitted	Total sought (\$m)	Recommended (\$m)	Unfunded (\$m)
Auckland	0 of 0	-	-	-
Tairāwhiti	0 of 2	\$5.047	-	\$5.047
Hawke's Bay	0 of 2	\$10.170	-	\$10.170
Northland	4 of 9	\$5.832	\$4.030	\$1.802
Waikato (including Thames Coromandel)	6 of 11	\$20.785	\$5.666	\$13.619
Bay of Plenty	1 of 1	\$7.324	\$7.324	-
Manawatū-Whanganui	1 of 1	\$1.675	\$1.675	-
Wellington (including Wairarapa)	5 of 9	\$22.881	\$8.111	\$14.270
Total	17 of 35	\$73.714	\$26.806	\$44.908

22. **Attachment B** provides a region-by-region summary of recommended tranche 2 initiatives. **Attachment C** provides the rationale for the recommendations.

23. The recommended initiatives are in the other NIWE-affected regions.⁶ While the scale of impacts is not the same as in the three most severely affected regions (Auckland, Tairāwhiti, Hawke's Bay), they have some corresponding recovery needs. The Flood Resilience Fund is an efficient way to make contributions to their recovery efforts.

24. Many of the initiatives proposed to be funded (or already funded) from the Flood Resilience Fund address similar impacts as the Category 2 risk mitigation projects funded through the cost-share agreements. However, the funding provided through the Flood Resilience Fund is meant for straight-forward, low-risk projects whereas many of the cost-share projects are more complex and will take several years to complete.

Flood risk mitigation package

25. The flood risk mitigation package will give local authorities certainty to advance work that will increase people's safety and helps people move forward with their lives by supporting local priorities for low-risk flood resilience projects that can be delivered quickly. Table Three on pages 7-8 summarises each of the recommended initiatives in this package.

26. The recommended flood risk mitigation package totals \$12.3 million, which would commit 30% of the available funding. There are 13 initiatives in this package, one of which is recommended for partial funding.

⁶ 'Other NIWE-affected regions' refers to the local authorities defined by the Severe Weather Emergency Recovery Legislation Act 2023 that do not have cost-share agreements with the Crown.

Table Three: Flood risk mitigation package

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
Agree to fund initiatives as recommended. If no, indicate below which (if any) initiatives should receive funding.				\$12,282,402	YES / NO
1	Morningside Flood Relief Project	Northland (Whangarei)	To significantly reduce flooding in a low-lying residential area of Morningside, a Whangarei suburb using a drain/storage/pump infrastructure option.	\$3,000,000	YES / NO
2	Awakino rivermouth cleaning	Northland (Kaipara)	Mechanical cleaning of the lower riverbanks and silt removal from the river mouth is required to allow the most efficient flow of water through this river path.	\$350,000	YES / NO
3	Beach Road culvert	Northland (Kaipara)	Assessment following the NIWE shows the need to increase the size of the Beach Road culvert to protect residential properties and infrastructure. To avoid having to lift the road level, a box culvert solution is proposed.	\$400,000	YES / NO
4	Murphy Bower Stopbank	Northland (Kaipara)	Will protect the Ruawai community from flooding inundation from the Wairoa River.	\$280,000	YES / NO
5	Waihou Rivers Network Recovery	Waikato (Hauraki, Thames-Coromandel)	River management works – key areas of focus that would benefit from resilience initiatives include gravel management and stabilization/revetment works on the Kauaeranga River, Kirikiri Stream, Puriri River, Omahu Stream, Hikutaia River, Komata River and Ohinemuri River.	\$940,000	YES / NO
6	Coromandel Flood Resilience – Storm Damaged Tree Removal	Waikato (Thames-Coromandel)	Removal of storm affected vegetation (largely old poplar, willow and pine) that was damaged and undermined during NIWE, impacting riverbank stability, flow and capacity. Tree removal will be combined with the follow up planting of willow and poplar poles as well as erosion protection works to stabilise riverbanks.	\$642,000	YES / NO
7	Improving resilience of rivers in vulnerable areas of the Waikato, Waipā and West Coast catchments	Waikato (Waitomo, Ōtorohanga, Waikato)	To help mitigate future flood risk for communities impacted by the NIWE by increasing river stability and restoring capacity in rivers identified as high priority for action. This will be achieved through the removal of waterway obstructions and the construction of at least 85 in-stream erosion control structures.	\$704,402	YES / NO

8	Lake Hakanoa Three-Waters Resilience Work	Waikato (Waikato)	Flood Prevention, Stabilisation and Rehabilitation in Lake Hakanoa channel – an essential intervention to help prevent floodwater from entering homes during heavy rainfall / flood events. Stabilisation and rehabilitation work is vital project to maintain lake water levels, and to prevent further asset/ environmental degradation.	\$980,000	YES / NO
9	Resilience of the Stanway-Halcombe Rural Water Scheme	Manawatū-Whanganui (Manawatū)	Heavy rain experienced during NIWE in the upper catchment of the Rangitikei River has resulted in a boil water notice for water scheme users. This initiative will protect the water supply scheme for residents in Halcombe Village and within the rural scheme area—providing additional treatment capability to respond to the increased levels of turbidity caused by washout of riverbank and supporting erosion mitigation works to protect against future weather events.	\$1,675,000	YES / NO
10	Flat Point Flood resilience	Wellington (Carterton)	The Flat Point settlement is situated on the East Coast of the Carterton District Council (CDC) and have a community of roughly 100 properties that were severely affected by surface water flooding during high the NIWE. The initiative is to design and build a planted, earthen bund around the Western and Northern boundaries of the settlement.	\$350,000	YES / NO
11	Cockburn Street Sewer Resilience	Wellington (Masterton)	Installation of storage tanks and/or reflux valves at residential properties to protect against inflows of sewage during heavy rainfall event as a short-term solution.	\$1,300,000	YES / NO
12a	Eastern Wairarapa Recovery and Resilience work: Early flood warning systems upgrade	Wellington (Masterton, Carterton)	Early warning systems will build greater resilience for the communities in these isolated areas. \$4 million was sought for this project; this funding would be for engineering assessments and stilling well improvements at critical flood warning sites, satellite communication back systems, and infrastructure improvements and gauging camera installation for high-flow gauging.	\$1,250,000	YES / NO
13	Riversdale Water Protection Wairarapa	Wellington (Masterton)	The Motuwaireka Stream southern bank suffered extensive erosion due to high water flows generated through the impacts of severe weather. The loss of Northern Reserve land has increased the anxiety of residents whose properties have been constructed on the southern edge of the Northern Reserve.	\$411,000	YES / NO

FOSAL Category 2 support package

27. The FOSAL Category 2 support package comprises initiatives that mitigate risk to life by supporting property-level interventions. Table Four on page 10 summarises each of the recommended initiatives in this package.
28. While these initiatives do not strictly adhere to the purpose of the tagged contingency (i.e., mitigating risks to residential properties by addressing landslips is not proactive management of flood risk), they otherwise strongly align with the fund criteria.⁷ They are also consistent with the direction that the Flood Resilience Fund be made available to local authorities to manage near-term costs associated with FOSAL.
29. Funding this package will allow residents and councils to get risk mitigation projects underway that will allow people to return to/stay in residences that were affected by the NIWE. Delaying decisions would extend the time people are at risk and would prolong uncertainty.
30. Additionally, if these mitigation projects are unable to be progressed, properties are likely to shift to Category 3, which would mean property owners would be offered a voluntary buyout and the Crown would be responsible for sharing 50% of the cost of the buyout.⁸ A new funding source would be needed if this occurred.
31. There are some gaps in the details available as councils are still progressing risk assessments, options analysis, and public consultation.
- Councils are in the final stages of completing these processes; the last one is expected to be completed in February.
 - Before funds are released, further due diligence will be undertaken, and councils will be expected to work with CIP to complete and document assurance work (including around deliverability and progress reporting). Once due diligence is completed, the final funding requirement may be lower than currently estimated and therefore some project funding agreements may be for an amount less than the recommended funding agreed.
32. The recommended FOSAL Category 2 support package of \$14.5 million represents 35% of the available funding. As recommended, the package includes support for the Tauranga City Council. The Bay of Plenty region is the only one of the other NIWE-affected regions that did not receive any support from the first tranche of the Flood Resilience Fund.
33. If fully funded as recommended, the two packages together include 17 initiatives and would commit \$26.8 million, which is 65% of the available funding.

⁷ This approach is consistent with the decisions taken in September and November 2023 (after consultation with the incoming government) to provide funding from the Flood Resilience Fund to the Hawke's Bay region to extend sediment and debris removal operations. Provided that the proposals meet the assessment criteria for the fund (priority, value for money, alignment, deliverability, additionality, and iwi Māori engagement), responsible Ministers can agree to draw down the agreed funding without the need for Cabinet approval.

⁸ The Crown has communicated to all other local authorities listed in the Severe Weather Emergency Recovery Legislation Act 2023 a willingness to share 50% of the cost for Category 3 voluntary property buyouts, less any private insurance or Earthquake Commission proceeds.

Table Four: FOSAL Category 2 support package

Ref#	Initiative title	Region (District)	Summary	Funding Rec	Agree
Agree to fund initiatives as recommended. If no, indicate below which (if any) initiatives should receive funding.				\$14,523,819	YES / NO
14	Egret Avenue and Te Mutu Crescent land slips	Bay of Plenty (Tauranga)	To provide a long-term, permanent remediation solution to two land slips that took place during the Auckland Anniversary weather event at Egret Avenue and Te Mutu Crescent in Tauranga.	\$7,323,819	YES / NO
15	Thornton Bay Slip Stabilisation	Waikato (Thames-Coromandel)	To significantly reduce the risk of further, imminent, landslide activity (gradual or global failure), which would result in significant loss or damage to public infrastructure, private residential property (including dwellings) and public conservation land at an existing slip site that originated from the January/February 2023 storm events.	\$1,300,000	YES / NO
16	Homeowner Support in Mitigating Risks from North Island Weather Events	Waikato (Waikato)	To assist homeowners affected by the recent North Island weather events. This proposal is designed to mitigate risks, particularly those associated with landslides, and thereby contribute to the overall resilience of the community. Significant assurance work will need to occur before a funding agreement could be progressed.	\$1,100,000	YES / NO
17	Flood Relocation Wairarapa	Wellington (Masterton)	To support relocation of residential dwellings directly impacted by the FOSAL land categorisation process. This initiative has no council or landowner contribution documented—local contribution will need to be documented before the funding agreement is signed.	\$4,800,000	YES / NO

Not recommended for funding

34. If funded as recommended, \$14.4 million would remain in the tagged contingency and \$44.9 million in proposed initiatives would remain unfunded. A summary of the initiatives not recommended for funding is provided in **Attachment D**. If you want to fund any of these initiatives, you can mark the table to indicate initiatives that should be funded.
35. Six of the 18 initiatives do not meet the intent of the fund. The remaining proposals are lower priority for this funding because they lack a similar level of urgency or are in areas less directly affected by the NIWE, which could raise concerns about an equitable response to proportional impacts or parity concerns between cost-share regions and other NIWE-affected regions.

Reprioritising the remaining funds in the tagged contingency

36. Given the extent of recovery-related funding requests that are being raised, the broader context of the Government priorities, affordability considerations, and the considerable funding also being sought for transport, water services, and other infrastructure needs – both in NIWE-affected regions and across the country – the balance of the fund could support work on critical local priorities in two urgent, high-priority areas:
- The Crown's 50% share of the buyout costs for FOSAL Category 3 buyouts⁹ in other NIWE-affected regions. The CRU is aware of four councils that may proceed with a FOSAL categorisation process. Risk assessments are still underway, but at present, up to \$7.5 million may be needed for the Crown's share of property buyouts. The risk mitigation initiatives included in the FOSAL Category 2 support package recommended in this paper may reduce the amount needed for property buyouts. Funding will need to be found for these buyouts as Ministers have previously committed to local authorities to fund these costs.
 - Remediation of woody debris in Tairāwhiti that is posing a risk to life. The Gisborne District Council is seeking an additional \$18 million to continue the removal of woody debris until the end of the financial year. Securing \$6.9 million from the Flood Resilience Fund would provide support to the region that will likely continue work at least through the end of April, by which time there may be more clarity about any future Crown financial support available for NIWE recovery activities. The Gisborne District Council has estimated that the total cost of further woody debris removal is likely to be between \$54 - \$127 million.
37. This work would reduce risks to life and otherwise meets the intent of the tagged contingency. Because this work is outside the terms of the fund, it is recommended that you take a paper to Cabinet on options for how best to utilise the balance of the tagged contingency.
38. Alternative options that could be canvassed in the paper include repurposing it for other NIWE-response work or returning the funding to the centre.

Treaty of Waitangi considerations and te ao Māori perspective

39. Initiatives were assessed based on whether they were jointly submitted or supported by relevant iwi/Māori. Assessors were also asked to consider whether relevant iwi/Māori had

⁹ Where future severe weather event risk cannot be sufficiently mitigated, and residential use carries an intolerable risk of injury or death.

been engaged in the development of the initiative and/or if there is a plan for how they will be engaged as the initiative is rolled out.

Financial implications

40. The Local Government Flood Resilience Co-investment Fund was established as a \$100 million operating fund. Before any decisions in this paper, \$41.241 million remains available in the tagged operating contingency.
41. Funding will be drawn down to give effect to the decisions in this paper. If you agree to fund as recommended:
- funding for the flood risk mitigation package (\$12.282 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 FOSAL Category 2 support package (\$14.524 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.
42. The Local Government Flood Resilience Co-investment Fund tagged operating contingency expires on 30 June 2024. Provided funding decisions for initiatives that extend beyond the expiry are made by 30 June 2024, the funding can be rephased and allocated across 2023/24 and 2024/25 as necessary (as shown in rec 6).

Next steps

43. Funding agreements for the Flood Resilience Fund will be administered by the Chief Executive, Cyclone Recovery through the CRU [EWR-23-MIN-0074 refers]. The CRU is working with CIP to administer the Crown's financial support for certain recovery projects, including initiatives funded through the Flood Resilience Fund.
44. If you agree to proceed with the recommendation to seek Cabinet approval for utilising the balance of the tagged contingency, the CRU will prepare a draft Cabinet paper for you.

Communications

45. The Chief Executive, Cyclone Recovery will inform the chief executives of the local authorities about the funding decisions.
46. If you decide to fund initiatives, the CRU will work with your offices on a draft media release to announce the funding.

Attachments	Title	Security classification
Attachment A:	Initiatives funded in Tranche 1	UNCLASSIFIED
Attachment B:	Regional Summary of Recommended Tranche 2 Initiatives	IN CONFIDENCE UNCLASSIFIED
Attachment C:	Rationale for recommendations	IN CONFIDENCE UNCLASSIFIED
Attachment D:	Tranche 2 – Not Recommended	IN CONFIDENCE UNCLASSIFIED
Attachment E:	Guidance for agencies to develop advice on funding decisions	UNCLASSIFIED

Released under the Official Information Act 1982

Attachment A: Local Government Flood Resilience Co-investment Fund – Initiatives Funded in Tranche 1

Auckland – One initiative was submitted; it will not be funded at this time.

Tairāwhiti – Two initiatives were submitted; both will receive funding.

Ref	Initiative title	Initiative overview	Funding sought	Funding agreed
01a	Enhanced Flood Intelligence and Resilience	The portion of the initiative recommended for first-tier funding is for purchase and installation of monitoring equipment, including installation of redundant telemetry systems and enhancement of monitoring technology.	\$1,200,000	\$200,000
01b		The flood modelling portion of this initiative is recommended for funding as part of the second-tier package. Comprehensive and accurate monitoring (first-tier element), coupled with improved forecasting precision, will provide residents with timely alerts, and enable more effective disaster response and management.		\$1,000,000
10	Resilient Homes – Elevating Tairāwhiti	This initiative will advance flood preparedness by implementing property-level measures to reduce vulnerability and mitigate significant risks. The CRU recommends the funding be earmarked in principle while officials work with CIP and the local authority to provide due diligence.	\$15,000,000	\$15,000,000
			Total	\$16,200,000

Hawke's Bay – The one submitted initiative will receive funding.

Ref	Initiative title	Initiative overview	Funding sought	Funding agreed
02	Stop bank to protect the Waipawa Drinking Water Treatment Plant	This is a top priority project for the region that would protect the supply of safe drinking water for approximately 3,200 people and gives confidence in the continuation of longer-term solutions to provide a second water supply to 4,730 people.	\$2,500,000	\$2,500,000
			Total	\$2,500,000

IN CONFIDENCE UNCLASSIFIED

Northland – Seven initiatives were submitted; all seven will receive funding.				
Ref	Initiative title	Initiative overview	Funding sought	Funding agreed
03	Robert Street Stormwater	This Kaipara initiative involves construction of an emergency stormwater upgrade in Mangawhai, including the installation of a new stormwater pipeline, catchpits, manholes and outfall treatment to mitigate the flooding threat to habitable floors.	\$500,000	\$500,000
04	Awakino Railway Embankment Stabilization	This Kaipara initiative will stabilise the embankment the reduce the risk of another sudden mass release of flood waters that damaged homes, businesses, and the Dargaville Wastewater Treatment Plant during the NIWE.	\$400,000	\$400,000
05	Dargaville Wastewater Treatment Plant Pond Heightening	This Kaipara initiative seeks to heighten the existing bunds around the wastewater treatment ponds. During the NIWE, flood waters inundated the maturation pond and damaged electrical equipment and control panels and narrowly avoided a mass release of raw sewerage.	\$650,000	\$650,000
11	Flood-resilient Māori communities and marae	This initiative will reduce the risk of flooding in six flood-affected Māori communities and a number of marae across Te Taitokerau. It also includes flood risk reduction actions for a priority subset of the 35 marae across region currently exposed to 100-year flood events. The CRU has recommended that the local authority be instructed to work with the CRU and CIP to provide assurance on the costs and project timeline.	\$4,205,000	\$4,205,000
12	Flood intelligence and early warning	This initiative in Far North, Whangārei, and Kaipara relates to an early warning system that would reduce risks to life. This type of technical modelling is key to improving resilience. Consistent with modelling projects, CRU recommends this initiative be funded as part of the second-tier package.	\$560,000	\$560,000
14	Ngā Manga Atawhai	This collaborative initiative aims to build Northland's resilience to future events by tackling the problem of fallen and at-risk tree The CRU has recommended funding a scaled-down portion of this initiative. It does not appear that most of the work described in the proposal relates to flood risk mitigation. Officials recommend that the initiative be advanced to receive further consideration, but that the local authority be instructed to work with the CRU and CIP to provide assurance that the costs and project timeline are appropriate.	\$5,570,000	\$2,070,000
16	Dargaville Stop Bank Repairs	This Kaipara initiative is for the repair of two sections of the stop banks that protect Dargaville township from flooding. While these repairs respond to damage that was identified after the cyclone, the damage is not related to the NIWE.	\$500,000	\$500,000
			Total	\$8,885,000

Released under the Official Information Act 1982

IN-CONFIDENCE UNCLASSIFIED

Waikato (including Thames-Coromandel) – Six initiatives were submitted; three will receive funding.				
Ref	Initiative title	Initiative overview	Funding sought	Funding agreed
06	Grahams Creek Flood Scheme Enhancement	This initiative will re-design and upgrade the weir to increase resilience to future weather events and improve flood scheme performance.	\$330,800	\$330,800
07	Coromandel River Resilience Initiative	The CRU recommends funding the instream capacity works and instream erosion protection (e.g., gravel management and obstruction removal) portion of this initiative. The felling of at-risk trees and native planting can progress over a longer period through the council's annual operating budget.	\$3,300,000	\$708,000
13a	Port Waikato Three-Waters Resilience Work	The CRU recommends that the flood modelling portion of this initiative be funded as part of the second-tier package. Funding modelling in this package is consistent with the overall approach to modelling proposals.	\$2,850,000	\$350,000
13b	Port Waikato Three-Waters Resilience Work	The CRU recommends funding the Flood Prevention, Stabilisation and Rehabilitation portion of this initiative, less \$500,000 for project management, which officials consider should constitute the local contribution. The CRU recommends that the local authority be instructed to work with CIP to provide assurance that the costs and project timeline are appropriate, as serious concerns were raised concerning the feasibility and delivery timeline.		\$2,000,000
Total				\$3,388,800

Manawatū-Whanganui – Two initiatives were submitted; both will receive funding.				
Ref #	Initiative title	Initiative overview	Funding sought	Funding agreed
08a	Flood forecasting & communication resilience upgrade	The CRU has recommended funding improvements to early warning systems and more resilient communications (including power supplies and removing resilience on cell phone communication) in the first-tier package. This type of work to improve resilience and remove potential for failures/outages that cascade widely across the critical infrastructure system is in line with the objectives of the Infrastructure Action Plan.	\$3,645,000	\$2,645,000
08b		The CRU recommends including the flood mapping and assessing regional vulnerability element of this initiative, consistent with the overall approach to modelling proposals.		\$1,000,000
09	Reducing risks to people and houses in the Pohangina Catchment	A key part of this initiative to reduce risks to people and houses in the Pohangina Catchment to reduce the perception of risk and anxiety around future events causing further damage.	\$640,000	\$640,000
Total				\$4,285,000

Wellington (Wairarapa) – One initiative was submitted; it will be partially funded.				
Ref #	Initiative title	Initiative overview	Funding sought	Funding agreed
15	Recovery and Flooding Resilience Works	This initiative comprises three distinct projects, only one of which is related to the NIWE. The CRU has recommended funding up to \$3.5 million to remove the blockages from recent storms in the Eastern rivers to mitigate the potential for rivers to leave their channels and travel across land. The CRU has recommended the local authority be instructed to work with the CRU and CIP to provide assurance on the costs and project timeline.	\$7,515,000	\$3,500,000
			Total	\$3,500,000

Released under the Official Information Act 1982

Attachment B: Local Government Flood Resilience Co-investment Fund – Regional Summary of Recommended Tranche 2 Initiatives

Total support by region (if tranche 2 funded as recommended)				
Region	Recommended versus # submitted	Tranche 1 (\$m)	Tranche 2 (\$m)	Total funding (\$m)
Auckland	0 of 1	-	-	-
Tairāwhiti	2 of 4	\$16.200	-	\$16.200
Hawke's Bay	1 of 3	\$2.500	-	\$22.500 ¹⁰
Northland	11 of 16	\$8.885	\$4.030	\$12.915
Waikato (including Thames-Coromandel)	9 of 17	\$3.389	\$5.666	\$9.055
Bay of Plenty	1 of 1	-	\$7.324	\$7.324
Manawatū-Whanganui	3 of 3	\$4.285	\$1.675	\$5.960
Wellington (including Wairarapa)	6 of 10	\$3.500	\$8.111	\$11.611
Total	33 of 55	\$38.759	\$26.806	\$85.565

Northland – Nine initiatives were submitted. Four are recommended for funding.			
Ref #	Initiative title	Initiative overview	Funding
1	Morningside Flood Relief Project	To significantly reduce flooding in a low-lying residential area of Morningside, a Whangarei suburb using a drain/storage/pump infrastructure option.	\$3,000,000
2	Awakino rivermouth cleaning	Mechanical cleaning of the lower riverbanks and silt removal from the river mouth is required to allow the most efficient flow of water through this river path.	\$350,000
3	Beach Road culvert	Assessment following the NIWE shows the need to increase the size of the Beach Road culvert to protect residential properties and infrastructure. To avoid having to lift the road level, a box culvert is proposed.	\$400,000
4	Murphy Bower Stopbank	Will protect the Ruawai community from flooding inundation from the Wairoa River.	\$280,000
Tranche 2			\$4,030,000
TOTAL from Local Government Flood Resilience Co-investment Fund			\$12,915,000

¹⁰ Including \$20 million out-of-cycle support from the Flood Resilience Fund to sustain Silt Recovery Taskforce operations to the end of November 2023.

IN CONFIDENCE UNCLASSIFIED

Waikato (including Thames-Coromandel) – Ten initiatives were submitted. Six are recommended for funding.			
Ref #	Initiative title	Initiative overview	Funding
5	Waihou Rivers Network Recovery	River management works – key areas of focus which would benefit from resilience initiatives include gravel management and stabilization/revetment works on the Kauaeranga River, Kirikiri Stream, Puriri River, Omahu Stream, Hikutaia River, Komata River and Ohinemuri River.	\$940,000
6	Coromandel Flood Resilience – Storm Damaged Tree Removal	Removal of storm affected vegetation (largely old poplar, willow and pine) that was damaged and undermined during NIWE, impacting riverbank stability, flow and capacity. Tree removal will be combined with the follow up planting of willow and poplar poles as well as erosion protection works to stabilise riverbanks.	\$642,000
7	Improving resilience of rivers in vulnerable areas of the Waikato, Waipā and West Coast catchments	To help mitigate future flood risk for communities impacted by the NIWE through increasing river stability and restoring capacity in rivers identified as high priority for action. This will be achieved through the removal of waterway obstructions and the construction of at least 85 in-stream erosion control structures.	\$704,402
8	Lake Hakanoa Three-Waters Resilience Work	Flood Prevention, Stabilisation and Rehabilitation in Lake Hakanoa channel – an essential intervention to help prevent floodwater from entering homes during heavy rainfall / flood events. Stabilisation and rehabilitation work is vital project to maintain lake water levels, and to prevent further asset/ environmental degradation.	\$980,000
15	Thornton Bay Slip Stabilisation	To significantly reduce the risk of further, imminent landslide activity (gradual or global failure), which would result in significant loss or damage to public infrastructure, private residential property (including dwellings) and public conservation land at a slip site that originated from the January/February 2023 storm events.	\$1,300,000
16	Homeowner Support in Mitigating Risks from North Island Weather Events	Funding support for a critical initiative aimed at assisting homeowners affected by the recent North Island weather events. This proposal is designed to mitigate risks, particularly those associated with landslides, and thereby contribute to the overall resilience of the community. Significant assurance work will need to occur before a funding agreement could be progressed.	\$1,100,000
			Tranche 2
			\$5,666,402
TOTAL from Local Government Flood Resilience Co-investment Fund			\$9,055,202

Bay of Plenty (Tauranga) – The one initiative that was submitted is recommended for funding.			
Ref #	Initiative title	Initiative overview	Funding
14	Egret Avenue and Te Mutu Crescent land slips	To provide a long-term permanent remediation solution to two land slips that took place during the Auckland Anniversary weather event at Egret Avenue and Te Mutu Crescent in Tauranga.	\$7,323,819
			Tranche 2
			\$7,323,819
TOTAL from Local Government Flood Resilience Co-investment Fund			\$7,323,819

Released under the Official Information Act 1982

Manawatū-Whanganui – The one initiative that was submitted is recommended for funding.			
Ref #	Initiative title	Initiative overview	Funding
9	Resilience of the Stanway-Halcombe Rural Water Scheme	Heavy rain experienced during NIWE in the upper catchment of the Rangitikei River has resulted in a boil water notice for water scheme users. This initiative will protect the water supply scheme for residents in Halcombe Village and within the rural scheme area—providing additional treatment capability to respond to the increased levels of turbidity caused by washout of riverbank and supporting erosion mitigation works to protect against future weather events.	\$1,675,000
			Tranche 2
			\$1,675,000
TOTAL from Local Government Flood Resilience Co-investment Fund			\$5,960,000

Wellington – Nine initiatives were submitted. Five are recommended for funding, including partial funding for one initiative.			
Ref #	Initiative title	Initiative overview	Funding
10	Flat Point Flood resilience	The Flat Point settlement is situated on the East Coast of the Carterton District Council (CDC) and have a community of roughly 100 properties that were severely affected by surface water flooding during high the NIWE. The initiative is to design and build a planted, earthen bund around the Western and Northern boundaries of the settlement.	\$350,000
11	Cockburn Street Sewer Resilience	Installation of storage tanks and/or reflux valves at residential properties to protect against inflows of sewage during heavy rainfall event as a short-term solution.	\$1,300,000
12a	Eastern Wairarapa Recovery and Resilience work: Early flood warning systems upgrade	Early warning systems will build greater resilience for the communities in these isolated areas. \$4 million was sought for this project; this funding would be for engineering assessments and stilling well improvements at critical flood warning sites, satellite communication back systems, and infrastructure improvements and gauging camera installation for high-flow gauging.	\$1,250,000
13	Riversdale Water Protection Wairarapa	Earlier this year, the Motuwaikeka Stream southern bank suffered extensive erosion due to high water flows generated through the impacts of severe weather. The loss of Northern Reserve land has increased the anxiety of residents whose properties have been constructed on the southern edge of the Northern Reserve.	\$411,000
17	Flood Relocation Wairarapa	To support relocation of residential dwellings directly impacted by the FOSAL land categorisation process.	\$4,800,000
			Tranche 2
			\$8,111,000
TOTAL from Local Government Flood Resilience Co-investment Fund			\$11,611,000

Released under the Official Information Act 1982

Attachment C: Rationale for recommendations

Evaluation of other possible funding sources

1. The Flood Resilience Fund was specifically set aside for the type of support to local authorities recommended in this paper. Cabinet could consider using other funding sources to support the work, but doing so would delay progress, prolonging the safety risks and uncertainty communities are facing.

North Island Severe Weather Events multi-year appropriation (NISWE MYA)

2. The NISWE MYA was established for payments associated with the Crown's response to the impacts of the 2023 North Island severe weather events. The NISWE MYA is administered by Vote Prime Minister and Cabinet and is delegated to the Chief Executive, Cyclone Recovery.
3. The current appropriation of \$1.7 billion over five years is specifically to provide for the Crown's financial support for the financial cost-share agreements negotiated in Auckland, Tairāwhiti and Hawke's Bay and for the whenua Māori and marae grants.¹¹ It is therefore currently insufficient to absorb the initiatives recommended in this paper.

National Resilience Plan (NRP)

4. The NISWE MYA was drawn down from the \$6 billion NRP tagged contingency established at Budget 2023 to fund resilience in road, rail, local government infrastructure, telecommunications, and transmission. Decisions on funding initiatives from the NRP are made by Cabinet on the recommendation of the Minister of Finance. The Treasury is providing advice to the Minister of Finance regarding phase 3 of the NRP.
5. The NRP is not limited to NIWE-affected regions. Ministers previously agreed that certain additional NIWE recovery work could apply for phase 3 NRP funding, such as:
 - Category 3 buyouts to property owners, should any of the councils in other NIWE-affected regions decide to categorise properties.¹²
 - Short-term funding injection to extend woody debris and sediment removal in Tairāwhiti through to the end of June 2024.
 - Contingency for additional costs for Category 3 whenua Māori and marae. An update to on the implementation of the whenua Māori and marae pathway will be provided to Joint Ministers on 15 December.

Regional Infrastructure Fund (RIF)

6. The criteria and process have not yet been established for the RIF that was announced as part of the New Zealand National Party and New Zealand First Coalition Agreement. Some of the initiatives that are not recommended to be supported through the Flood Resilience Fund (e.g., because they lack a similar level of urgency, they primarily provide commercial benefits, or are in an area not directly impacted by the NIWE), may be appropriate for consideration through the RIF once the process is established.

Parity in response

7. Officials considered whether to exclude water services initiatives pending the repeal of the three waters reforms and broader considerations about the affordability of three waters infrastructure but opted to assess each initiative against the criteria on its individual merit.

¹¹ Councils will likely seek to renegotiate aspects of the cost-share agreements to accommodate changing property categorisation numbers (e.g., if it is determined that a Category 2 intervention is not viable, meaning the property would move to Category 3 and qualify for a voluntary buyout, such as was recently confirmed for 38 properties in Tangoio Beach) and/or as unexpected complexity or other challenges in project delivery drive costs beyond what was originally estimated when negotiating cost sharing agreements. If there are any significant increases above forecast, an increase to the appropriation would be required.

¹² The CRU expects that as many as four councils may pursue Category 3 buyout offers.

8. Three initiatives are priority stormwater-related recovery projects that officials advise should be advanced irrespective of future decisions regarding the water services system.¹³ One initiative is not direct flood mitigation but does support work in response to impacts from NIWE that will significantly reduce the risk of the consequences of flooding and increase the safety of residents.¹⁴
9. Planning, assessment, and education initiatives are not recommended for funding. Given that the fund is oversubscribed and considering the overall Government fiscal context, priority was given to initiatives that will deliver tangible near-term resiliency, focusing primarily on initiatives that will make people safer, sooner.

Approach for cost-share regions

10. Consistent with tranche 1, officials assessed each initiative against the criteria on its individual merit, and then officials considered cost-share arrangements when making recommendations for the funding packages.

Auckland

11. At the time of tranche 1 decisions, the Auckland cost-share project list had not been finalised. Auckland's tranche 1 Paerata Culvert initiative has been reconsidered in tranche 2. It is not recommended for funding from the Flood Resilience Fund. Officials recommend that it would be better addressed through the broader options for the affordability of three waters infrastructure, through future re-negotiation of the cost-share agreement (should it occur), or potentially through another source such as the RIF.

Tairāwhiti

12. The two initiatives from Tairāwhiti received relatively high assessment scores and may have been recommended for funding had the region not already received \$16.2 million through tranche 1 of the Flood Resilience Fund in addition to the \$221 million of support through the cost-share arrangement. In particular, the Tokomaru Bay Transfer Station Flood Mitigation initiative scored well against the criteria.

Hawke's Bay

13. In addition to having negotiated a cost-share arrangement that provides \$523.6 million in Crown support, the Hawke's Bay region also received \$20 million out-of-cycle support from the Flood Resilience Fund to sustain Silt Recovery Taskforce operations. When the most recent allocation was made in early November the Minister of Cyclone Recovery advised the Hawke's Bay Regional Council and Hastings District Council that the region would not receive any further funding for any purpose from the Flood Resilience Fund.
14. Two initiatives were submitted to the Flood Resilience Fund before local authorities were advised they would not receive further funding, include:
 - The Awatoto Secondary Containment initiative is out of scope because it is primarily for protection of business investments rather than focusing on residential risks.
 - The Waipawa drinking water treatment plant relocation initiative¹⁵ does not warrant reversing the decision that the region would not receive any further funding from the Flood Resilience Fund. The tranche 2 proposal is a longer-term, more complex project and is more appropriately addressed through the broader options for the affordability of three waters infrastructure, through future re-negotiation of the cost-share agreement (should it occur), or potentially through another source such as the RIF.

¹³ This is consistent with six water services-related initiatives that were funded in tranche 1.

¹⁴ Supporting this initiative would be consistent with tranche 1 funding.

¹⁵ Building resilience for Waipawa and Otane initiative is a modification of a proposal that was funded in tranche 1. The CRU understands that the stop bank funded in tranche 1 will need to progress regardless of whether the tranche 2 proposal progresses.

Assessment process

15. Using a weighted scoring evaluation based on the agreed criteria and the same set of indicators and key questions used to evaluate tranche 1 initiatives (**Attachment E**), officials from CRU, DIA, MfE, and the Treasury independently assessed each initiative.
16. Out of a maximum score of 42, the scores ranged from a low of 21 to a high of 37. The average score was 30. Initiatives that received significantly different scores were discussed and, in cases where it was agreed additional information would be key to making a recommendation, clarification was sought from the applicants.¹⁶
17. After initiatives were assessed and scores moderated, the packages were reviewed to consider the consistency in the support provided for impacts on communities and across similar types of work. The local co-investment contribution and factors such as affordability were also considered. Agencies also evaluated the initiatives against factors such as availability of other funding mechanisms, project feasibility, and cost-sharing arrangements.

Additional cross-checks

18. There was an additional level of consideration for any recommended initiatives over \$5 million.
 - The largest initiative recommended for funding is the Tauranga proposal for a permanent remediation solution at Egret Avenue and Te Mutu Crescent. This is the only funding the region would receive. If funding is not provided, it is likely that the council will need to offer buyouts to as many as 12 homeowners. The Crown would be responsible for sharing 50% of the cost of the buyouts.¹⁷ A funding source would be needed if this occurred.
 - The Eastern Wairarapa Recovery and Resilience Work initiative sought \$9 million for two distinct projects. Officials recommend that a portion of the early warning system be partially funded at \$1.75 million.
19. A final assessment of the packages considered the regional spread of funded and unfunded initiatives. It is worth noting that:
 - No Far North initiatives are included in the recommended tranche 2 packages, but the district is part of three initiatives that received a total of \$6.8 million in tranche 1.
 - Wellington and Waikato each have around \$14 million in proposed initiatives unfunded. The initiatives were prioritised based on the localised impacts from the NIWE. The scale of unfunded requests is skewed by the large amount of funding sought by these regions.

¹⁶ The CRU sought clarification about five initiatives, seeking details such as the general breakdown of project elements. Through these conversations, two local authorities decided to amend their requests. One reduced the total amount sought by \$0.5 million (by withdrawing a component that did not meet the criteria for the fund). Another decided to entirely withdraw a \$1.5 million initiative that they determined was not far enough progressed to provide even a high-level description of the work to be completed and a rough cost breakdown (without which, it was not possible to consider whether the initiative was achievable or good value for money). All subsequent figures in this paper are based on the adjusted total requests from councils.

¹⁷ The Crown has communicated to all other local authorities listed in the Severe Weather Emergency Recovery Legislation Act 2023 a willingness to share 50% of the cost for Category 3 voluntary property buyouts, less any private insurance or Earthquake Commission proceeds.

Released under the Official Information Act 1982

Released under the Official Information Act 1982

Released under the Official Information Act 1982

Attachment E: Local Government Flood Resilience Co-investment Fund – Guidance for agencies to develop advice on funding decisions

The fund is 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. Initiatives should be able to be underway this year and must be able to be completed by June 2025.

Officials will consider the following questions (alongside other factors such as available funding, cost sharing, equity) when developing advice for Ministers about the package of initiatives for the first tranche of funding.

Indicators / questions to be considered as and where appropriate	
<p>Priority</p> <p>The initiative should contribute to resilience to future flood risks in the areas affected by NIWE and be ready to start this year.</p>	<ul style="list-style-type: none"> • Can the local authority provide sufficient evidence as to why this initiative is urgent and provides value for money for the Crown that outweighs the benefits of taking a more considered approach? • How soon will the initiative begin to improve flood resiliency? • Has the local authority clearly identified why this initiative is a priority? e.g., but not limited to: <ul style="list-style-type: none"> - Is it included in Te Uru Kahika proposal “Before the deluge: Building flood resilience in Aotearoa”? - Is it prioritised in the Regional Recovery Plans? - Is there a window of opportunity to invest now that will be lost?
<p>Value for money</p> <p>The initiative should represent good value for money, delivering greatest benefits for least cost.</p>	<ul style="list-style-type: none"> • Are the benefits of the initiative clear? Does the proposal include a credible and favourable assessment of the likely intended and unintended costs and benefits (as appropriate for the scale of the investment)? • Does the initiative use the PARA (protect, avoid, relocate, and accommodate) framework for risk management? • Has the initiative sought to minimise maladaptation (including future-proofing resilience investments against changing flood risks due to climate change and future costs created by the intervention) and moral hazard risks? • Has the initiative considered long-term risk? If the initiative is a near-term fix, is there is a cost-effective long-term solution? • Does the initiative deliver wider social, economic, environmental and/or cultural outcomes (e.g., nature-based solutions)?
<p>Alignment</p> <p>The initiative should be aligned to other activity that is planned or already being delivered.</p>	<ul style="list-style-type: none"> • Is the initiative aligned with other post-NIWE recovery activities (e.g., FOSAL, Regional Recovery Plans, National Resilience Plan)? • Does the initiative align with other related government priorities, (e.g., priorities identified in the National Adaption Plan)?
<p>Deliverability</p> <p>The initiative should be planned to be completed no later than the 2024/25 fiscal year.</p>	<ul style="list-style-type: none"> • Will the initiative be completed in the current fiscal year or within the 2024/25 fiscal year? • Has all other necessary funding (e.g., for related repair work, for ongoing asset management after the physical infrastructure is built) been secured? • Do the relevant parties have the capability and capacity to deliver the initiative on time and within budget, taking into account limited market capacity, any planning/consenting requirements, and the ability to procure and manage the investment? • Does the initiative identify key delivery risks and mitigations?
<p>Additionality</p> <p>The initiative should not be something that the authority or beneficiaries of the initiative could pay for.</p>	<ul style="list-style-type: none"> • Has the local authority demonstrated the initiative is not: <ul style="list-style-type: none"> - something the council has already budgeted for? - something that the beneficiaries of the initiative could pay for?

<p>Iwi/Māori engagement The initiative should demonstrate that engagement with relevant iwi/Māori has occurred.</p>	<ul style="list-style-type: none">• Has the initiative been jointly submitted/supported by relevant iwi/Māori?• Have iwi/Māori been engaged in the development of the initiative and is there a plan for how they will be engaged as the initiative is rolled out?
<p>Betterment* The initiative should protect residential properties to a more flood resilient standard than the pre-NIWE state. <i>*for initiatives that support physical infrastructure works to deliver risk reduction alongside repair work</i></p>	<ul style="list-style-type: none">• Has the local authority provided clear evidence that the initiative is restoring an asset to a more flood resilient standard? Has the local authority clearly differentiated between what is eligible for the 60 percent government CDEM contribution and what is betterment?• Is the resilience standard being built to transparent, clearly articulated and reasonable?

Released under the Official Information Act 1982

Briefing

Local Government Flood Resilience Co-investment Fund: Extension of project timeframes and proposed funding for Northland

Hon Mark Mitchell
Minister for Emergency Management and Recovery

Hon Simeon Brown
Minister for Local Government

Date	6/12/2024	Report Number:	DPMC-2024/25-473
		Priority level:	Medium

Purpose

- This briefing seeks your agreement to the following proposals relating to the Local Government Flood Resilience Co-investment Fund (Flood Resilience Fund):
 - provide additional funding for two projects in Northland (one new and one expanded project) to be funded from underspends in other Flood Resilience Fund projects, and
 - extend timeframes for Flood Resilience Fund projects that may not be completed by June 2025 (including Gisborne District Council's *Resilient Homes – Elevating Tairāwhiti* and Masterton District Council's *Flood Relocation Wairarapa* projects) by six months, to December 2025.

Executive Summary

- The Flood Resilience Fund was established in 2023 to provide Crown funding to support local authorities manage climate-exacerbated flood risk. While the fund was fully allocated by decisions made between September 2023 and January 2024, two funding needs have been recently identified in Northland:
 - The Far North District Council (FNDC) has undertaken a Future of Severely Affected Locations (FOSAL) property categorisation process. The Council did not identify any Category 3 properties, but it did identify one property with a high level of risk that could be mitigated with a property level intervention. We recommend you approve funding of up to \$.490m for this mitigation, funded through underspends from other Flood Resilience Fund projects.
 - The Northland Regional Council (NRC) is undertaking a Flood Resilience Fund project that involves working with Māori communities and marae across Northland to assess flood risks and identify possible mitigations. We recommend you approve increased funding for this project by \$1.030m to fund small scale flood risk mitigations across 17 marae, also funded through underspends.

3. The Flood Resilience Projects appropriation runs until 30 June 2025 and all approved projects are due to be complete by this date. However, two projects, which are funding individual property level risk mitigations, are at risk of not being completed on time. To avoid leaving those property owners in high-risk situations, we recommended extending the timeframe for these two projects (and others that may not be completed in time) by six months, to 31 December 2025. There will be no additional cost to the Crown from this decision.
4. Funding could be paid in advance of 30 June 2025 to National Infrastructure Funding and Financing¹ (NIFFCo), which is responsible for monitoring project delivery and paying out funding to councils.

Recommendations


5. We recommend you:

1. **note** that the FNDC has completed its FOSAL categorisation of properties affected by the North Island Weather Events, and has not identified any Category 3 properties that would be offered a buyout and be eligible for cost-sharing with the Crown;
2. **agree** funding of up to \$.490m from the Flood Resilience Fund to FNDC for one property level risk mitigation project, where the property did not meet all Category 3 criteria, but where residents would face a significant risk to life from a future severe weather event; YES / NO
3. **agree** to extend the scope of the existing *Flood-resilient Māori Communities and Marae* Flood Resilience Fund project, to provide an additional \$1.030m for small scale flood mitigation measures for 17 marae in Northland; YES / NO
4. **note** that projected costs for three Flood Resilience Fund projects are less than previously approved amounts, and that this underspend would be sufficient to fund recommendations two and three with \$5.46m of underspends returned of the centre.;
5. **note** that all Flood Resilience Fund projects are due to be completed by 30 June 2025 and that the Flood Resilience Projects appropriation in Vote Prime Minister and Cabinet will expire on this date;
6. **agree** to extend the timeframe to complete the Resilient Homes – Elevating Tairāwhiti project by six months at no additional cost to the Crown, to 31 December 2025; YES / NO
7. **agree** to extend the timeframe to complete the Flood Relocation Wairarapa project by six months at no additional cost to the Crown, to 31 December 2025; YES / NO
8. **agree** that should other Flood Resilience Fund projects be unable to be completed by 30 June 2025, their timeframes will also be extended YES / NO

¹ Formerly Crown Infrastructure Partners

to 31 December 2025 provided there is no additional cost to the Crown;

- 9. **note** that funding to be paid out beyond 30 June 2025 from the Flood Resilience Projects (MYA) Non-Departmental Other Expenses appropriation will be paid to NIFFCo prior to 30 June 2025, when the appropriation will close.
- 10. **note** that any payments provided in advance to NIFFCo would be provided on the condition that if those funds are not required by 31 December 2025 for any reason, the funding will be returned to the Crown.

 Katrina Casey Chief Executive Cyclone Recovery
6 December 2024
Mobile phone: +64 21 392 039

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

Simeon Brown Minister for Local Government/...../.....
--

Released under the Official Information Act 1982

Background

Flood Resilience Fund establishment and funding decisions

6. The \$100.000m Flood Resilience Fund was established to support 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.
7. In August 2023, the terms and eligibility criteria for the Flood Resilience Fund were agreed by Ministers. It was agreed that the fund would focus on near-term, low-regret initiatives that could be completed by the end of the 2024/25 financial year [DPMC-2023/24-116].
8. The first tranche of funding decisions was made by Ministers² in September 2023, followed by a second tranche in December 2023. Across the two tranches, a total of \$65.6 million was approved for 33 projects in seven NIWE affected regions. All these projects are scheduled to be completed no later than 30 June 2025.
9. Further drawdown decisions were made by Ministers in September and November 2023 and by Cabinet in February 2024.³ The remaining \$3.898 million was used to contribute to the costs of the Cyclone Recovery Capability Fund in Budget 2024, and there are no unallocated funds remaining. A summary of funding decisions is provided below.

Table 1 – Flood Resilience Fund summary

Funding Decision	Amount allocated
Tranche one projects (Sep 2023)	\$38.759 million
Funding for Hawke’s Bay silt and sediment removal (Sep & Nov 2023)	\$20.000 million
Tranche two projects (Dec 2023)	\$26.805 million
Cabinet decisions on speeding up the recovery (Feb 2024)	\$10.537 million
Cyclone Recovery Capability Fund (Budget 2024)	\$3.898 million
Flood Resilience Fund Total	\$100.000 million

Implementation of Flood Resilience Fund projects

10. NIFFCo is responsible for agreeing Project Schedules with councils that have received Flood Resilience Fund funding, monitoring their progress, and making payments in accordance with agreed milestones.

² Cabinet delegated drawdown decisions on the Flood Resilience Fund to the Minister for Cyclone Recovery (now Minister for Emergency Management and Recovery) and Minister of Local Government, along with any other appropriation Ministers as necessary [EWR-23-MIN-0074].

³ These include \$20.000m for removing silt and sediment in the Hawke’s Bay, \$7.500m for Category 3 buyouts in NIWE-affected regions where a cost-sharing agreement had not yet been agreed, \$2.000m for small-scale community projects in Auckland, and \$1.037m for a Northland multi-agency centre.

11. As at 31 October, four of the Flood Resilience Projects have been completed. The remaining projects are on track to be completed between December 2024 and June 2025, except for the projects discussed in paras 26- 31.
12. Some projects are projected to cost less than originally anticipated, including:
 - \$4.800m for residential relocations in Tinui in Masterton District, which is projected to require only \$1.600m of Crown funding, due to lower than expected uptake,
 - \$7.300m for a landslide remediation project in Tauranga City, which has now been re-scoped and is expected to cost \$3.860 million, and
 - \$0.400m to reduce risks to people and houses in the Pohangina Catchment in Tararua District, where the solution was found to be unviable following detailed design and only \$0.060m has been spent.
13. Combined, these projects provide a \$6.980m underspend. There may be other projects that will result in lower than allocated costs, but none are confirmed yet.

Potential Flood Resilience Fund initiatives in Northland

Far North District Council FOSAL categorisation

14. On 26 March 2024, the Minister for Emergency Management and Recovery wrote to NIWE affected councils that did not have an existing cost-sharing agreement with the Crown. This letter confirmed that should councils elect to categorise and identify any Category 3 properties, the Crown would share the cost of any buyouts on a 50:50 basis. This followed a similar letter from the then Minister for Cyclone Recovery in September 2023. While other councils indicated their intent to engage in categorisation in late 2023 or early 2024, the FNDC did not confirm that it would undertake a categorisation process until July 2024, the last council to do so.

The FNDC has not identified any category 3 properties

15. The FNDC categorisation process has focused on determining whether any properties would meet the criteria for FOSAL Category 3.⁴ Following an initial desktop exercise and then an on-the-ground assessment, FNDC officials have informed us that they do not consider that they have any Category 3 properties, and therefore will not need to progress a buyout process or cost-sharing agreement with the Crown. This is expected to be formally confirmed by the Council on 12 December 2024.

One property has been identified as having a high level of risk, which could be mitigated

16. One assessed property did not meet all Category 3 criteria but does face a significant risk from future events. The property is in a broadly equivalent position to Category 2P, although it will not be formally categorised. The FNDC is concerned about leaving the property at risk and is seeking support for risk mitigation.
17. Funding has been provided to other councils through the Flood Resilience Fund for similar situations.⁵ Had the FNDC completed its FOSAL categorisation sooner and identified this property in 2023, we would have recommended funding for a risk mitigation project. We

⁴ Category 3 properties are those that were directly damaged by the NIWE; have an intolerable risk to life to residents from future severe weather events; and have no feasible way to mitigate this risk to safe levels.

⁵ Projects to support property level risk mitigation interventions were approved in December 2023 for Waikato District, Tauranga City, Thames-Coromandel District and Masterton District councils.

consider that it would be inequitable to penalise the property owner because of the time that FNDC has taken to identify them.

18. FNDC's initial assessment indicates there are options to reduce risk to tolerable levels by lifting the dwelling, at a rough cost estimate of between \$.270m and \$.520m. This compares to the property's Capital Value of \$.490m – we recommend provision of Crown funding be subject to further costing and feasibility work and be capped at this amount.
19. This additional project could be funded within the identified under expenditure in the fund and no new funding would be required.

Expanding the scope of the Flood-resilient Māori Communities and Marae project

20. The Northland Flood-resilient Māori Communities and Marae project was approved as part of tranche one funding decisions in September 2023. NRC was allocated \$4.200m for two purposes – to fund risk mitigation measures for six specified flood-affected Māori communities and marae, and to engage with a further 35 communities at risk, to identify what risk reduction measures might be feasible and appropriate for them.
21. The NRC has identified 17 of these communities where it would be feasible to deliver a low-cost, rapid intervention to reduce risk and can be completed by the end of the 2024-25 financial year.
22. The proposed interventions are relatively minor and will reduce risk. They include measures such as installing flood protection doors, clearing, and benching of streams, or creating bunds to redirect flood waters. The total estimated cost across all 17 of these projects is \$1.030m.
23. The funding approved for the Flood-resilient Māori Communities and Marae project was limited to engagement and design work and not any allowance for implementing risk mitigation measures. We propose that the scope of the project be extended to fund these measures, at an additional cost of \$1.030m. As with the property level intervention discussed above, this would be funded within the existing Flood Resilience Fund envelope.

Funding implications

24. There is currently \$65.600m⁶ of funding allocated across tranches one and two Flood Resilience Fund projects. The projected underspend across these projects is \$6.980m. If you agree to the funding proposals for FNDC and NRC, a total of \$1.520m of this underspend would be redirected to those new projects.
25. This leaves \$5.460m of underspend that would be returned to the Crown by 30 June 2024. If further underspends are identified across any other Flood Resilience Fund projects, those funds would also be returned by that date.

Extending the timeframe for Flood Resilience Fund projects

Resilient Homes – Elevating Tairāwhiti

26. In September 2023, Ministers agreed to allocate \$15.000m from the Flood Resilience Fund to undertake property level risk mitigation work (raising dwellings to reduce flood risk) for

⁶ \$1.900m of this total has already been returned to the Crown, resulting from a change in scope for one project.

up to 200 Category 2P⁷ properties in Tairāwhiti. In line with all other Flood Resilience Fund projects, the project was planned to be completed by 30 June 2025.

27. The Gisborne District Council (GDC) is concerned that some properties may not be completed by this date. This is due the scheme taking longer than anticipated to establish, as changes were made to the initial average property allocation⁸ and to the scope of the scheme to include properties at risk from landslips as well as flood. The GDC has also noted a limited pool of contractors in the region available to complete the work. If works are not completed by 30 June 2025, some of the affected property owners would be left with no mitigation solution and would remain at risk from future severe weather events.
28. We consider that it would be reasonable to extend the timeframe for this project, to avoid penalising property owners. It is expected that extending the timeframe for the project by six months, to 31 December 2025, would be sufficient for all properties to be completed. There would be no additional cost to the Crown of this time extension.

Flood Relocation Wairarapa

29. In December 2023, \$4.800m was allocated from the Flood Resilience Fund to Masterton District Council (MDC), to fund the relocation (moving the dwelling to a safer location within the same property) of up to 12 residential dwellings on nine properties. Funding for relocation has been considered as an option alongside voluntary buyouts for these property owners.
30. The MDC expects that the first buyouts will be settled by January 2025, and the first property relocations are close to completion. However, two properties have been slower to resolve. One relocation has been confirmed as feasible and physical works are due to begin, but the MDC has raised concerns that any unforeseen delays would mean it may not be possible to complete the work by June 2025. A second property is also delayed, due to the owner experiencing ill-health and being unable to progress the necessary steps to enable a relocation.
31. We consider that it would be reasonable to extend the timeframe for this project by six months, to avoid those property owners being left in an unresolved situation and at risk from future weather events. This would be at no additional cost to the Crown.

Timing for other projects

32. We are not aware of other projects that are unlikely to be completed by June 2025. However, it is possible that other challenges will emerge over the first half of 2025 that would put other projects at risk of not being delivered. As a result, we are seeking your agreement that should other projects not be able to be delivered by 30 June 2025, their timeframe for completion should also be extended to 31 December 2025 provided doing so is at no additional cost to the Crown.

Funding arrangements

33. Funding for Flood Resilience Fund projects sits in the Flood Resilience Projects appropriation in Vote Prime Minister and Cabinet. It is a two-year appropriation that will

⁷ Category 2P properties are those that have an intolerable risk to life to residents from future severe weather events, but this risk could be mitigated by property level interventions such as raising floor levels or improving drainage.

⁸ The initial estimate of \$.075m per property was increased to \$.100m. As fewer properties were confirmed as Category 2P, an increase in average cost could be accommodated within the original funding allocation.

expire on 30 June 2025. Funding is transferred from this appropriation to NIFFCo to provide funds to councils in line with agreed project delivery milestones.

34. In accordance with Cabinet decisions regarding the transfer of residual NIWE activities once the Cyclone Recovery Unit is disestablished on 30 June 2025 [ECO-24-MIN-0274 refers], funding to be paid out beyond 30 June 2025 from the Flood Resilience Projects (MYA) Non-Departmental Other Expenses appropriation will be paid to NIFFCo prior to 30 June 2025, when the appropriation will close. This payment would be conditional on funds being used for the purpose of specified projects and be returned to the Crown if they are not required or able to be used by 31 December 2025.
35. There will be some minor implications if timeframes for Flood Resilience Fund projects are extended. Responsibility for any residual close out activities associated with accounting for and reporting on time-limited appropriations will transfer to the Department of Prime Minister and Cabinet [ECO-24-MIN-0274]. If Flood Resilience Projects are not complete by June 2025, these close-out activities would need to be extended out into early 2026.
36. Similarly, Cabinet agreed that responsibility for the oversight of projects being administered by NIFFCo be transferred to DIA (in addition to projects funded through existing Crown Funding Agreements). NIFFCo will therefore need to report to DIA on Flood Resilience Fund projects through until the end of 2026.
37. DIA has been consulted on the proposals in this paper and agree with the recommendations.

Next steps

38. If you agree to the recommendations in this paper, we will work with:
 - the FNDC to clarify the scope, timing, and cost of the proposed property level intervention, and develop a Funding Agreement between the Council and the Crown,
 - NIFFCo and the NRC to finalise the list of proposed marae resilience measures, funding requirements and timeframes, and amend the existing agreement with the Council accordingly, and
 - NIFFCo and the GDC to extend the timeframe for delivery of the Resilient Homes – Elevating Tairāwhiti, and with the MDC to extend the Flood Relocation Wairarapa projects.