

In Confidence

Office of the Minister of Civil Defence

Chair

Cabinet

NELSON TASMAN FIRES – ADDITIONAL CONTRIBUTION TO MAYORAL DISASTER RELIEF FUND

Proposal

1. This paper seeks Cabinet's agreement to an additional contribution of \$100,000 (GST exclusive) to the Tasman District Council Mayoral Disaster Relief Fund. The contribution is intended for the Council to help small businesses and animal welfare organisations with their costs, and to remediate local infrastructure and land affected by fire-fighting activities.
2. This paper also seeks agreement to establish a group of Ministers with power to act on possible further funding and other matters related to the fire.

Efforts to extinguish the Nelson Tasman Fires continue

3. Multiple fires in the Nelson Tasman region resulted in a state of local emergency being declared on Wednesday 6 February. The fire is expected to take some days or weeks to be finally extinguished. While there is no loss of human life to date, the damage is widespread and significant.

The Government has committed financial contributions to support those affected

4. The Government has announced two contributions to date totalling \$70,000 to the Tasman District Council's Mayoral Disaster Relief Fund.
5. Under provisions of the Guide to the National Civil Defence Emergency Management Plan, the Minister of Civil Defence together with either the Prime Minister or the Minister of Finance may authorise a lump sum contribution of up to \$100,000 (GST inclusive) per event to a disaster relief fund. Contributions above that require Cabinet approval.
6. I propose to seek advice from officials on whether the current threshold of \$100,000 remains appropriate.
7. The Government is not responsible for decisions on individual grants made from relief funds. The contribution is in the form of a donation from which the operator of the fund may apply funds on a discretionary basis. However, in developing the criteria for its fund the Tasman District Council has been working closely with the Ministry of Civil Defence & Emergency Management.
8. The Government has committed \$100,000 for rural support trusts and primary industry groups to help speed up the recovery of farming and horticultural businesses. A range

of other government support is also now available.

Business and animal welfare organisations facing costs

9. As the Nelson Tasman fires continue some businesses face hardship, for example contractors not able to work due to the ban on using outdoor machinery.
10. Animal welfare organisations also face costs. Their work has been voluntary and are drawing on their own funds.

Landowners are seeking compensation for damage from fire-breaks

11. As part of fighting the fires, fire-breaks have been cut through farms and other private land, in many cases causing significant damage to the land and fixtures. Landowners are looking to the Government to provide financial compensation for this damage.
12. We do not know at this stage the full extent or likely cost of restoring the land. This will not be known for some time, as resources are devoted to fighting the fire and new fire-breaks may also be required.

Compensation not available under Fire and Emergency New Zealand (FENZ) Act 2017

13. Any fire breaks created before the state of emergency was declared were created under the authority of the FENZ Act 2017. Under this Act, Fire and Emergency New Zealand is not liable for damages arising in the course of performing its functions.
14. Section 160 of the FENZ Act provides that damage by firefighters caused in the course of duty must be treated as damage by fire for insurance purposes. Officials understand however that land damage (as opposed to personal property damage) is unlikely to be covered by contracts of fire insurance.
15. How any insurer responds will depend on the wording of the policy (however any compensation available under the CDEM Act is required to take into account proceeds and likely proceeds from insurance or other sources).

9(2)(g)(i)

16. The Civil Defence Emergency Act 2002 (CDEM Act) contains compensation provisions if land and property is formally requisitioned. If the CDEM Act compensation provisions apply, the cost would be borne by the Nelson City Council and Tasman District Council. They in turn would likely seek government reimbursement, especially if the amount was significant.

17. 9(2)(g)(i)

To address this quickly a further contribution to the Mayoral Relief Fund is proposed

18. 9(2)(g)(i)

9(2)(g)(i)

19. The most significant risk of this approach is the quantum of the support needed is not known or able to be estimated at this stage.
20. 9(2)(g)(i)
21. The most practical way to provide this funding would be through an additional contribution to the Mayoral Disaster Relief Fund. Similarly assistance for business and animal welfare organisations should also be provided through the Fund.
22. This would mean the administration is handled by the Tasman District Council and will have greater flexibility in determining the basis of payments.

Establishing a group of Ministers with Power to Act recommended

23. I am also seeking Cabinet's agreement to authorise the Prime Minister, Ministers of Finance, Civil Defence, Agriculture/Rural Communities, Social Development, Local Government, and Internal Affairs with Power to Act to consider the Government response to the fires and take urgent decisions, if necessary, where these are required. This will help the Government act quickly in this fast-moving event and is consistent with approaches taken during other significant events.
24. I propose this power extend to 6 March 2019, i.e. one month after the declaration of the state of emergency.
25. I also propose Cabinet agree to empower the group to authorise further payments to the Mayoral Disaster Relief Fund up to the amount remaining in the relevant appropriation.
26. Further, I propose to seek advice on establishing a standing group of Ministers with Powers to Act to enable the Government to act quickly, including decisions on contributions to Mayoral Relief Funds, in fast-moving events prior to Cabinet being able to meet.

Consultation

27. The Ministry for Primary Industries, the Department of Internal Affairs and the Treasury were consulted on this paper. The Department of the Prime Minister and Cabinet (Policy Advisory Group) has been informed.

Financial Implications

28. Any additional funding for the mayoral disaster relief fund will be met from within the Non-Departmental Other Expenses Appropriation: Contributions to Local Authorities Following an Emergency Event in Vote Prime Minister and Cabinet. The current total in the appropriation is \$1.9 million. Of that \$1.4 million is allocated to additional Crown support for the Kaikoura District Council. A base appropriation therefore of \$500,000 per annum can be drawn on.
29. With the Government already having committed a total of \$70,000 to the Tasman District Council Mayoral Disaster Relief Fund, \$430,000 of the appropriation remains. However, this amount may also need to be called on for other emergencies that may occur in the

remainder of this financial year.

30. 9(2)(f)(iv)

Other Implications

31. No legislative implications are associated with this paper. A regulatory impact analysis is therefore not required.
32. There are no Human Rights, Gender or disability implications associated with the proposal in this paper.

Publicity

33. The Prime Minister announced the Government's intention to assist landowners with the cost of land remediation resulting from fire-breaks on her visit to the region on 14 February.

Proactive Release

34. It is intended this paper be proactively released within 30 business days. The proactive release is subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

35. The Minister of Civil Defence recommends that Cabinet:
 1. **note** multiple fires in the Nelson Tasman region resulted in a state of local emergency being declared on Tuesday 6 February;
 2. **note** the Minister of Civil Defence, together with either the Prime Minister or the Minister of Finance, can authorise a contribution to mayoral relief funds of up to \$100,000 (GST inclusive) per event with contributions above that needing Cabinet approval;
 3. **invite** the Minister of Civil Defence to provide advice to Cabinet on whether the current threshold of \$100,000 remains appropriate;
 4. **invite** the Minister of Civil Defence to provide advice to Cabinet on establishing a standing group of Ministers with Powers to Act to enable the Government to act quickly, including decisions on contributions to Mayoral Relief Funds, in fast-moving events prior to Cabinet being able to meet;
 5. **note** the Government has to date committed \$70,000 to the Tasman District Mayoral Disaster Relief Fund and \$430,000 remains in the relevant appropriation;
 6. **note** some businesses face hardship from the fires and animal welfare organisations also face costs and are drawing on their own funds;
 7. **note** landowners are seeking compensation for the damage caused by the creation of fire breaks needed to fight the fires;
 8. 9(2)(g)(i)

9(2)(g)(i)

9. **agree** the Government provide an additional contribution of \$100,000 (excluding GST) to the Tasman District Council Mayoral Disaster Relief Fund to assist affected businesses, animal welfare organisations and to landowners to remediate land damaged by fire-breaks;
10. **agree** that the Prime Minister, Ministers of Finance, Civil Defence, Agriculture/Rural Communities, Social Development, Local Government, and Internal Affairs have Power to Act to consider the Government response to the fires and take urgent decisions, and if necessary, to make further payments to the Tasman District Council Mayoral Disaster Relief Fund up to the amount remaining the appropriation;
11. **Agree** that the Power to Act in recommendation 8 expire on 6 March 2019.

Authorised for lodgement

Hon Kris Faafoi

Minister of Civil Defence