

Report No:	RCN12-05-06
File No:	
Date:	15 May 2012
Information Only – no decision required	

REPORT SUMMARY

Report to: Full Council
Meeting Date: 24 May 2012
Subject: Response and Recovery from the December 2011 Rainfall Event – Financial Implications
Report Author: Adrian Humphries, Regulatory Services Manager

EXECUTIVE SUMMARY

1. In December 2011 Tasman District suffered its most significant Civil Defence emergency on record. Over a 48 hour period starting on 13 December 2011, heavy persistent rainfall was experienced over the Nelson/Tasman region. Unusually, much of the rain fell within 2-5km of the coastal areas of the region, particularly in Golden Bay and the Richmond Hills.

Residents in parts of Richmond and much of Golden Bay - particularly in Clifton, Pohara, Ligar Bay, Tata Beach and Wainui were affected by flood waters and inundation of properties and homes. In some cases properties were destroyed by debris flows of logs, rock and silt. Services such as drinking water, stormwater and sewers were destroyed or severely damaged and in some areas roads and bridges were closed due to damage and landslips.
2. Response and Recovery to this event has already cost \$4,100,000 and is expected to cost a further \$6,000,000. Of these costs \$6,700,000 should be recoverable this leaves a council liability of \$3,400,000. This could be covered using the existing disaster funds, Port dividend and/or loan funding.
3. It is likely that the current figures will change, however Council will be updated at least monthly on the financial situation.

RECOMMENDATION

That the report be received.

DRAFT RESOLUTION

THAT the Tasman District Council receives report RCN12-05-06 Response and Recovery from the December 2011 Rainfall Event – Financial Implications

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1. The Event

- 1.1 In December 2011 Tasman District suffered its most significant civil defence emergency on record. Over a 48 hour period starting on 13 December 2011, heavy persistent rainfall was experienced over the Nelson/Tasman region. Unusually, much of the rain fell within 2-5km of the coastal areas of the region, particularly in Golden Bay and the Richmond Hills.
- 1.2 In Takaka a total of 674mm rain fell in a 48 hour period, the largest rainfall ever recorded and more than twice the highest previous 48 hour rainfall (305mm in 1968). In effect three months of rain fell in two days and initial estimates put this as a 1 in 500 year event.

2. Key Impacts of the Flood Event and Recovery Issues

- 2.1 Residents in parts of Richmond and much of Golden Bay - particularly in Clifton, Pohara, Ligar Bay, Tata Beach and Wainui were affected by flood waters and inundation of properties and homes. In some cases properties were destroyed by debris flows of logs, rock and silt. Services such as drinking water, stormwater and sewers were destroyed or severely damaged and in some areas roads and bridges were closed due to damage and landslips.
- 2.2 Following the emergency response there were significant welfare issues including assistance to families displaced from their homes. Property and houses needed cleaning and repair work undertaken. A major community effort was involved in the clean up exercise. Council assisted in the repair of essential services and roads and also by making dumping of spoil and other debris generated from the flood event free at a local dump site.
- 2.3 Some properties were classified as “dangerous and insanitary” under the Building Act. In some cases the classified buildings were themselves undamaged but under threat from adjoining landslips.

3. Recovery Process

- 3.1 Following the response to the emergency the District moved into recovery mode. A team of seven council staff were brought together as focal points for the recovery process. The team consists of individuals with skill sets that are critical to the recovery, other Council staff also assist the team where required.

A Recovery Action Plan (RAP) was produced by the Nelson Tasman Recovery Office (NiTRO¹) which set out the principles of recovery; NiTRO disbanded at the start of February 2012 and handed over to the individual Councils' recovery teams. A critical part of the RAP was the prioritisation principles, these are shown below:

The recovery priorities are:

- *In the short term, to restore as quickly as possible the quality of life of those affected so that they are able to continue functioning as part of the wider community.*
- *In the medium to long term, to seek the regeneration of a community by addressing the social, economic, natural and built environment effects of an emergency. The time this could take might vary from weeks to many years.*

The RAP also set out decision processes which were designed to assist the Recovery Manager in allocating resources.

4. Decision Making Priorities

- 4.1 The agreed considerations in the RAP that have to be taken into account when assessing priorities are shown below:

- Restoration of essential services
- Allocation of limited resources
- Aid management
- Ongoing welfare requirements
- Social concerns, including psychological impacts and stress symptoms
- Law and order, including security
- Communications
- Transport, including roads, rail, seaports and airfields
- Utilities
- Business/commercial sector requirements
- Rural residents and agricultural needs
- Residential property damage
- Recovery of educational establishments and review of their use during response phase

¹ NiTRO – A joint NCC and TDC team set up during the Civil Defence emergency to identify and start work on Recovery issues.

These considerations are in no particular order of preference and simply provide a set of conditions for establishing work programmes.

4.2 The overarching priorities were further defined in the RAP into 5 classes:

1 Highest priority	2	3	4	5 Lowest priority
Safety of Life	Protection of private property and public assets	Environmental protection	Mobility, access	Amenity
	Public health	Cultural impact	Protection of economic activity	Quality of life

4.3 When prioritising work the various managers have considered these requirements and advised the Recovery Team of their opinion. Where there have been limited resources priorities have been discussed and the most optimal approach has been adopted.

5. COSTS ASSOCIATED WITH RECOVERY

- 5.1 Attached as an Appendix is a spreadsheet showing costs associated with recovery, both known and estimated.
- 5.2 Parks and Reserves have indicated that costs directly attributable to the flooding event will all have been incurred by the end of this financial year 2011/12 at a total cost of approximately \$200,000 (\$50,000 recoverable).
- 5.3 Roothing repairs this financial year are likely to be around \$2.8m (\$1.94m recoverable). Necessary rooding repair work for the next financial year (2012/13) is expected to be around of \$2,226,000 (\$1,313,340 recoverable). A further \$300,000 (\$186,000 recoverable) will be needed in 2013/2014.
- 5.4 The river repairs are estimated to be around \$660,000 with most of this work needing to be completed this year.
- 5.5 Utilities have indicated that in the financial year 2011/12 approximately \$1.115m will be spent. In the financial year 2012/13 it is estimated that \$2m will be required to pay for utilities, primarily stormwater. Of this cost \$600,000 will be attributable to Council. This figure is dependent on a number of issues which are currently impossible to ascertain entirely accurately i.e. “buy in” to stormwater projects by residents who own watercourses on private land and final determination of the entire scope of work required to keep areas safe from flooding in the normal course of events.

- 5.6 The total cost of the response and recovery is currently estimated at \$10,100,000 of which \$6,700,000 should be recovered from various sources i.e.
- NZTA
 - MCDEM
 - LAPP
 - Other Insurance
 - Private Property Owners
- 5.7 This leaves a predicted shortfall of \$3,400,000. In order to meet this deficit the Council has a number of options:
- a. The General Disaster Fund
 - b. The Classified Rivers Disaster fund.
 - c. Port Dividend Payout.
 - d. Loan funding.
- 5.8 The funding options are the subject of a separate report from the Corporate Services Manager.

6. GENERAL CONSIDERATIONS

- 6.1 As has been indicated previously the aspiration to provide wholly accurate estimates is not currently achievable. The reasons for this are as follows:
- The length of time the recovery will take will mean that there is likely to be significant fluctuations in costs.
 - The level of “buy in” by private property owners will have a dramatic effect on some proposed large scale projects i.e. Pohara stormwater systems.
 - The success (or otherwise) in claiming back money from various agencies.
 - The potential need to carry out previously unidentified works e.g. replacement of river work which could be destroyed due to the undetected changes in river dynamics.
- 6.2 Additionally, longer term projects may involve Council taking responsibility for utilities such as stormwater systems which it currently has no responsibility for, this would also generate additional ongoing maintenance costs.
- 6.3 It should also be noted that claims for work caused by the flooding event can be presented to MCDEM over a long period of time, hence any work falling into this category will have a financially recoverable element, usually 60%.

7. RECOMMENDATION

7.1 That this report be received.

8. DRAFT RESOLUTION

**8.1 THAT the Tasman District Council receives report RCN12-05-06
Response and Recovery from the December 2011 Rainfall Event –
Financial Implications**

Appendix:

Appendix 1 - Spreadsheet of actual and estimated costs December 2011 Flooding event.