



COVERSHEET

Minister	Hon Poto Williams	Portfolio	Associate Housing (Public Housing)
Title of Cabinet paper	Temporary Accommodation Service: Funding for the West Coast Flooding Response	Date to be published	22 October 2021

List of documents that have been proactively released		
Date	Title	Author
September 2021	Temporary Accommodation Service: Funding for the West Coast Flooding Response	<i>Office of the Associate Minister of Housing (Public Housing)</i>
8 September 2021	Cabinet Business Committee Minute of Decision: Temporary Accommodation Service: Funding for the West Coast Flooding Response	<i>Cabinet Office</i>

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Commercial information.

In Confidence

Office of the Associate Minister of Housing (Public Housing)

Cabinet Economic Development Committee

Funding for the Temporary Accommodation Service's West Coast flooding response

Proposal

- 1 This paper seeks approval for funding to enable the Temporary Accommodation Service (TAS) to deliver temporary accommodation to households displaced by the flooding on the West Coast.

Relation to government priorities

- 2 This proposal supports the Government's response and recovery programme for New Zealand's West Coast region, after the declaration of a State of Emergency following a severe flooding event.

Executive Summary

- 3 A sustained period of rain on New Zealand's West Coast region on Friday, 16 July 2021 caused significant amounts of flooding and slips, damaging 463 houses in the area.
- 4 The Ministry of Business, Innovation and Employment (MBIE) has a statutory duty under the National Civil Defence Emergency Management Plan Order 2015 to coordinate the provision of temporary accommodation for displaced people following an emergency. It does this through its TAS business unit.
- 5 TAS activated on Wednesday, 21 July 2021 to support people who have had to leave their houses as a result of the flooding on the West Coast, and require accommodation for a prolonged period while their houses are being repaired or rebuilt.
- 6 145 households are currently registered with TAS as needing temporary accommodation assistance either immediately or in the future (accurate as at 1 September 2021). It is expected that demand for the service will continue for approximately 12 to 18 months.
- 7 Based on current TAS registrations, \$4.906 million is required to prepare capital investment for a long term housing need (\$2.450 million), and to house up to 100 people for the first three months of the response (\$2.556 million).

Background

- 8 MBIE has a statutory duty under the National Civil Defence Emergency Management Plan Order 2015 to coordinate the provision of temporary accommodation for displaced people following an emergency.
- 9 MBIE discharges this responsibility through TAS, which:
- works with other agencies, organisations and businesses as part of the emergency response
 - identifies and registers displaced individuals and households who are in need of support to find temporary accommodation
 - undertakes assessments to clarify what temporary accommodation options are suitable and affordable
 - coordinates the provision of temporary accommodation placement, and
 - maintains a strategic reserve of 27 porta-cabins.
- 10 Of the eight times TAS has previously activated, six activations have been in response to flooding. TAS is currently managing active responses in Napier (November 2020 flooding), Canterbury (May 2021 flooding), Papatoetoe (June 2021 tornado) and the West Coast (July 2021 flooding).

West Coast flooding event

- 11 A State of Emergency was declared on Friday, 16 July 2021 following a sustained period of heavy rain that led to flooding, slips, and high river levels; 463 homes in the West Coast region were damaged in this flooding event.
- 12 Reporting by the local Civil Defence Emergency Management (CDEM) group indicates that there are 70 red stickered houses and 393 yellow stickered houses in the region. Red stickered houses are those that have sustained the most damage, with floodwaters having risen above the electrical plug line damaging flooring, walls and electrical components of the house.
- 13 Yellow stickered houses are those that have experienced water damage below the electrical plug line, where flooring and walls have been damaged but the electrical components are still likely to function. These households are often still able to access power and plumbing.
- 14 Some of the houses are damaged beyond economically feasible repair and may require demolition. In other cases, sum insured values may be inadequate to fund required repairs or, repairs may not proceed for other reasons. All these issues may prolong the need for temporary accommodation.
- 15 TAS activated in response to the flooding on the West Coast on Wednesday, 21 July 2021. 145 households are currently registered with TAS as needing

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temporary accommodation assistance either immediately or in the future (accurate as at 1 September 2021).

- 16 A range of central government agencies are providing support to people on the West Coast. This includes:
- The National Emergency Management Agency, who is providing ongoing recovery advice and support to the Council, and co-ordinating central government agencies via a National Recovery Coordination Group.
 - The Department of Internal Affairs, who is supporting the Buller District Council to maintain their existing duties in addition to the recovery effort and liaising with the Lottery Grants Board to mobilise funding to the region from the Lottery Emergency Natural Disaster Reserve
 - The Ministry of Social Development, who have made Civil Defence and Rural Assistance Payments available to the Buller District.
 - The Ministry for Social Development has also authorised Enhanced Task Force Green clean-up operations across Marlborough and Buller Districts.
 - The Ministry for Primary Industries who have declared a Medium Adverse Weather Event, which provided \$25,000 to the West Coast Rural Support Trust (RST).
 - The West Coast District Health Board, who have appointed seven navigators for an interim period of one month to connect those affected with the help they need.
- 17 Cabinet has approved \$8.000 million in funding to support the Buller District Council's recovery work programme [CAB-21-MIN-0332 refers].

TAS has identified short term supply options to meet immediate need

- 18 TAS operates on a client centric model to ensure that displaced households are provided the support they need while property repairs or rebuilds are being carried out. A key component of this model is helping households remain within their community and close to their homes.
- 19 For this reason TAS is relying on commercial and transportable accommodation options in the first few months of the response (August-November 2021), while long-term options are sourced and established.

Commercial accommodation options

- 20 TAS is working with a number of commercial accommodation providers in the region to secure approximately 75 motel rooms to support displaced households. These motel rooms will house approximately 70 households at any given time during the first three months.

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- 21 Motels are an easily procured accommodation option and allow displaced households to remain close to their communities. Motels were used successfully during TAS' Napier Flood response (November 2020), when a total of 60 motel rooms were utilised over a nine month period.
- 22 As of 1 September 2021, there are currently 53 households in motel accommodation, costing approximately \$1,855 per room per week.
- 23 As with previous responses, TAS is seeking a part-payment from households placed in TAS accommodation from 13 August 2021 onwards. TAS has based charges on the region's lower quartile market rent. Part-payment charges range from \$150 to \$300 per week depending on the size of the room or unit, and the household.
- 24 TAS will work with other agencies to ensure that the motel rooms used for TAS' response will not impact supply needed for households facing other challenges such as emergency housing (funded through the Ministry of Social Development), or where there is limited supply of transitional housing.

Transportable accommodation option

- 25 TAS has an agreement with Tourism Holdings Limited to use Commercial Information campervans for an initial period of 12 weeks. Campervans can be moved into the region quickly and placed onto affected properties, allowing displaced households to remain at their home address.
- 26 TAS will be placing the campervans on properties that are unsuitable for porta-cabins or where on-site accommodation is only needed in the short term. Some of the campervans will be placed at the Westport Kiwi Holiday Park to assist with any immediate need for TAS accommodation.
- 27 Commercial Information
[REDACTED] TAS will be recovering \$150 per household per week, which will contribute towards the operational cost incurred.

Medium term supply options have been identified

- 28 For the subsequent three to six months of the response (November 2021 - February 2022), TAS will work towards establishing long term and more cost effective solutions to address the accommodation needs of displaced households on the West Coast.
- 29 TAS has already deployed its strategic reserve of porta-cabins to the region. Porta-cabins have frequently proven to be a good supply option as they can be placed on affected properties, they are self-contained, and do not create ongoing operational costs.
- 30 Two 2-bedroom, seven 1-bedroom, and five sleep-out porta-cabin units have been deployed to the West Coast region and are ready to be placed on appropriate properties. A further five porta-cabins are due to be re-deployed from TAS' Napier and Southland responses in the coming weeks.

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- 31 Site assessments of affected properties have begun to identify which properties are suitable for porta-cabin placement. TAS is also working with the Buller District Council to identify suitable plots of land for a potential porta-cabin village, as a long term temporary accommodation solution.

Increasing TAS' strategic porta-cabin reserve

- 32 The West Coast flooding has demonstrated that in larger scale events, the current size of the TAS strategic porta-cabin reserve is not sufficient to meet demand. As significant weather events become more frequent, it is important that TAS has adequate capital resources to respond effectively.
- 33 TAS has identified that an additional 15 porta-cabins would allow TAS to meet demand on the West Coast in the medium term, and ensure that TAS is prepared for potential high demand in the future. This would increase to the size of TAS' strategic reserve from 27 to 42 porta-cabins.
- 34 TAS is pursuing procurement options that will ensure all 15 cabins can be procured within three months and be deployed for use on the West Coast, at an estimated cost of \$1.725 million. TAS will be seeking part-payments of between \$50-275 per week from the households, depending on the size of the porta-cabin. This will contribute towards the operational cost incurred.

Relocating existing government owned housing

- 35 In response to the Napier flooding in November 2020, Oranga Tamariki (OT) and MBIE agreed to subdivide a plot of Crown owned (OT managed) land in order for TAS to place three pre-fabricated houses. The houses were to be used as TAS accommodation for up to two years, before being transferred to OT for their long-term beneficial use.
- 36 The long term temporary accommodation need in Napier has now been resolved by using existing housing stock, and the prefabricated houses are surplus to TAS' requirements in the Napier region. MBIE and OT have agreed, due to the greater need, to relocate the homes for use in the West Coast flooding response.
- 37 Kāinga Ora have five houses in the Canterbury region that have been offered to Buller District Council. Kāinga Ora is going to arrange for basic repairs (including to meet the Healthy Homes Standards) and transport these homes to Westport. The costs of these repairs will be reimbursed by TAS.
- 38 The Buller District Council has agreed that all eight houses (five from Kāinga Ora and a further three from TAS) may be placed on council land and will work with TAS to arrange foundations, services and any necessary site improvements. Once these houses are no longer needed by households displaced by the flood, there is the option for these properties to provide an enduring investment in the Westport community.

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- 39 Previously, when TAS' long term accommodation options are no longer required, they have been re-utilised as public or affordable housing supply options, upon Cabinet approval.

Westport community demographics

- 40 There are several factors that indicate that demand for TAS will continue to increase and that support will be required for a longer period of time than previous flooding responses.
- 41 In Buller, based on the 2018 census, approximately 68 per cent of the population own their own homes, 56 per cent of the population are employed either part time or full time, and although unemployment is only 3.7 per cent, around 40 per cent of the population are not part of the workforce.
- 42 The relatively high average age of those currently registered for TAS (32 per cent of households have members who are 65 or older) means that extra support is likely to be required as older households maybe be less likely to have the ability to self-resolve.
- 43 Although there is a high rate of insurance for homes in the region, there is a risk that homeowners may not be adequately insured or have disposable income to put towards repairs.
- 44 Supply chain delays and the limited availability of tradespeople may also cause delays in households being able to return to their properties.
- 45 The Westport rental market is also extremely tight with only two homes available for rent at the time of the flooding. Private rental options are unlikely to be an option in this response.
- 46 These risks are being carefully managed as TAS looks to secure the most appropriate accommodation supply options in the short term, and work with other response agencies to make long term plans where necessary.

Financial Implications

- 47 TAS' Multi-Category Appropriation (the Appropriation) has the single overarching purpose to coordinate and provide temporary accommodation to people displaced by a civil emergency. The Appropriation is not limited to a specific event or geographic location, and operates under the expectation that additional funding is sought as an emergency response progresses, if required.
- 48 The Appropriation has three categories:
- a. Readiness, Response and Recovery - this covers Departmental Output Expenses including Service coordination, contingency planning, civil defence sector engagement and event-specific services such as matching and placement, property management, and departmental support;

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- b. Temporary Accommodation Housing Initiatives Operations - this covers Non-departmental Output Expenses incurred on temporary accommodation supply initiatives; and
- c. Temporary Accommodation Housing Initiatives Capital - this covers Non-departmental Capital Expenses of procuring and purchasing temporary accommodation solutions.


49 The initial stages of TAS' West Coast flooding response have been funded through the Appropriation. As at 1 July 2021, TAS had \$0.995 million non-departmental funding available, with \$0.500 of this earmarked for TAS' Papatoetoe tornado response.

50 TAS has undertaken modelling for the first three to six months of operational costs, based on current registrations for the service.

Operational funding for commercial and transportable accommodation options

51 Motel accommodation is expected to cost approximately \$1.820 million during the first three months.

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53 Costs will also be incurred for the transport of porta-cabins, site assessments and connection to services during the first three months of the response. Feasibility assessments for village sites are also being undertaken.

54 There will also be additional costs associated with transporting MBIEs three Napier houses to Westport. Initial costs have been covered by existing TAS appropriation, however a further \$0.600 is expected to be needed over the next three to six months.

55 I recommend that a total of \$2.556 million of operating expenses be charged against the between-Budget contingency established as part of Budget 2021.

Capital funding for the procurement of additional TAS porta-cabins and the relocation of eight public houses

56 TAS requires capital funding of \$1.725 million to procure an additional 15 new porta-cabins. TAS is pursuing procurement options to ensure the full 15 cabins can be supplied and deployed to Westport within three months.

57 Capital funding will also be required for the connection of services to the eight relocated government owned housing from Napier and Canterbury. This is anticipated to cost \$0.600 million.

58 I recommend that a total of \$2.450 of capital expenditure be charged as a pre-commitment against the Budget 2022 capital allowance.

Additional funding

- 59 At this stage, it is expected that there will be a temporary accommodation need in the West Coast for up to 18 months, with TAS expecting to support around 150 households in total.
- 60 As the response develops, it is likely that additional funding for the service will be required.

Consultation

- 61 The Treasury, the Department of Prime Minister and Cabinet, the Department of Internal Affairs, the Ministry of Housing and Urban Development, Kāinga Ora – Homes and Communities and the National Emergency Management Agency were consulted on the proposals in this paper.

Legislative Implications, Human Rights, Gender Implications and Disability Perspective

- 62 There are no legislative, human rights, gender or disability implications resulting from the proposals set out in this paper.

Publicity

- 63 There is no publicity or media release associated with this Cabinet paper.

Proactive Release

- 64 MBIE will proactively publish this paper. Any redactions made will be consistent with the Official Information Act 1982.

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Recommendations

I recommend that the Committee:

- 1 **note** that the Ministry of Business, Innovation and Employment's (MBIE's) Temporary Accommodation Service (TAS) activated on Wednesday, 21 July 2021 in response to severe flooding on the West Coast;
- 2 **note** that as of Wednesday, 1 September 2021, TAS is supporting 145 households, 61 of which are accommodated in TAS supplied accommodation. Based on current modelling, TAS expects to provide accommodation to approximately 150 households over the next 12-18 months;
- 3 **note** that at 1 July 2021, TAS had \$0.995 million non-departmental funding available;
- 4 **note** that in the short to medium term (for the next three to six months) TAS intends to meet demand by utilising commercial and transportable accommodation options (motels and campervans), and by relocating eight government owned housing units at a total cost of \$2.556 million;
- 5 **note** that TAS is in the process of procuring an additional 15 portable cabins to increase the existing Strategic Reserve of 27 porta-cabins to 42. TAS will also be establishing the connection of services to the eight relocated government owned housing. This work is expected to cost \$2.450 million.
- 6 **note** that as the demand for temporary accommodation becomes clearer in the long term, TAS may require additional funding to support the provision of temporary accommodation options to displaced households.
- 7 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 4 and 5 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Building and Construction Minister for Housing	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Multi-Category Expenses and Capital Expenditure: Temporary Accommodation Services MCA Non-Departmental					

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Output Expenses:					
Temporary Accommodation Housing Initiatives - Operations	2.556	-	-	-	-
Non-departmental Capital Expenditure:					
Temporary Accommodation Housing Initiatives - Capital	2.450	-	-	-	-
Total Operating	2.556	-	-	-	-
Total Capital	2.450	-	-	-	-

- 8 **agree** that the proposed changes to appropriations for 2021/22 be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 9 **agree** that the operating expenses incurred under recommendation 4 above be charged against the between-Budget contingency established as part of Budget 2021;
- 10 **agree** that the capital expenditure incurred under recommendation 5 above be charged as a pre-commitment against the Budget 2022 capital allowance.

Authorised for lodgement

Hon Poto Williams

Associate Minister of Housing (Public Housing)