

28 February 2025

Via email: section33review@nema.govt.nz

Tēnā koe,

FEEDBACK ON REVIEW OF SECTION 33 OF THE GUIDE TO THE NATIONAL CDEM PLAN

This letter provides feedback from Queenstown Lakes District Council (QLDC) to the National Emergency Management Agency (NEMA) regarding its review of Section 33 of the Guide to the National Civil Defence Emergency Management Plan.

QLDC acknowledges the importance of this review to improve the financial support framework for local authorities responding to emergency events. This feedback addresses the challenges QLDC faces in covering the broad costs associated with emergency responses and the difficulties encountered when seeking reimbursement from NEMA for costs incurred.

QLDC faces unique challenges due to its geographical location, growing population, and increasing tourism, which can exacerbate the costs associated with emergency responses. Council supports the review of Section 33, and the following points identify key areas where improvements could significantly enhance local authorities' ability to effectively manage and recover from emergencies.

The key points that QLDC would like to emphasise are as follows:

1. Scope of financial support

- Greater clarification is needed on the scope of financial support under Section 33 to ensure a comprehensive understanding of eligible costs.
- Specific guidance is required regarding the types of "other response costs" eligible for reimbursement, as ambiguity can cause uncertainty and delays.
- Further clarity is required on the conditions and timing that would invoke central government intervention into a local response. The current phrasing "central government will assist where this cannot be adequately achieved by a local authority, community, or voluntary agency in a timely manner" (s.33.4) is unclear and open to interpretation.
- Consideration should also be given to compensating costs arising from response decision-making beyond the Council's control. For example, increased wear and tear on Council roads used as alternative access routes during disasters.
- Council considers the policy would be more comprehensive and effective if animal welfare is made within scope considering its growing importance within CDEM welfare response activations. Providing clarity of reimbursement criteria, particularly for companion animals, would help with welfare action planning during emergencies.

2. Reimbursement thresholds and cost-sharing

- While QLDC acknowledges that the 60/40 cost-sharing arrangement is not under review, Council wishes to emphasise that this ratio imposes a significant financial burden on local authorities, particularly during large-scale or prolonged emergencies.

- For the 40% share that Councils are to provide for, it would be helpful to have guidance regarding what this share needs to look like i.e. combination of self-insurance reserve, borrowing headroom and insurance.
 - The current threshold calculation—based on capital property values—does not accurately reflect actual emergency costs, especially in high-property-value areas with limited financial resources.
 - Alternative threshold calculations should be explored, incorporating factors such as population growth, tourism/visitor levels, and the district's unique risks.
- 3. Claims process and timeliness of payments**
- QLDC has experienced challenges with claim preparation, assessment, and reimbursement processes, which can be contentious, unnecessarily complicated, and time-intensive. An example in point was the Covid response where Council accumulated over \$4m at risk in support of our significant migrant population. The process of reclaiming that amount was complex, piecemeal and difficult and for a local authority it is not tenable to have this level of funding at risk.
 - The current process demands substantial staff time and resources to compile documentation and meet stringent reimbursement requirements.
 - Streamlining the claims process, reducing duplication, and accelerating payments would improve local authorities' access to timely funds for response and recovery efforts.
 - Consideration should be given to providing advance payments based on agreed estimates in order to alleviate financial strain during emergencies.
- 4. Special policy for recovery funding**
- While QLDC has not recently accessed the special policy funding for recovery, we share the concerns raised by other local authorities regarding the complexity and time demands of the current application process, which requires detailed business cases and Cabinet approval.
 - Clearer guidelines and streamlined criteria for eligibility are needed, along with financial support for preparing business cases to reduce the burden on local authorities.
 - QLDC also notes that the Cyclone Recovery Unit (CRU) under the Department of the Prime Minister and Cabinet is developing new recovery settings and decision-making tools. We urge NEMA to align Section 33 with these initiatives to ensure consistency and efficiency.
- 5. Definition of 'essential infrastructure'**
- A clearer definition of "essential infrastructure assets" is needed to ensure consistent interpretation and application of reimbursement policies, aligning with upcoming changes to the Civil Defence Emergency Management Act 2002.
 - Guidance should clarify the eligibility of infrastructure assets critical to community resilience but not directly owned by local authorities.
- 6. Long-term resilience and risk reduction**
- QLDC supports the government's emphasis on long-term resilience and risk reduction.
 - To underpin this commitment, consideration should be given to making financial support for risk reduction programs more readily accessible to local authorities.

- Incentives should be considered to encourage local investment in risk reduction measures, such as infrastructure upgrades and community education programs.

We would like to participate in a discussion with the review team to discuss these issues further with a member of the Review Team via an online meeting, and to provide any additional information that may be helpful to the review process.

Thank you for considering our feedback.

Yours sincerely,



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