

**Tira Hautū / Governing Body**  
**CONFIDENTIAL MINUTES**

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Confidential minutes of an extraordinary meeting of the Governing Body held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Friday, 6 October 2023 at 1.32pm.

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The confidential section commenced at 1.48pm.

The meeting adjourned at 1.48pm and reconvened at 1.53pm.

**C1 CONFIDENTIAL: Consideration of Crown co-funding offer for storm recovery and resilience**

A PowerPoint presentation was provided. A copy has been placed on the official minutes.

MOVED by Mayor W Brown, seconded by Cr A Baker:

That the Governing Body:

- a) whakaae / approve the Nominated Categorisation Approach contained in Attachment B to this agenda report which sets out the criteria and thresholds for property risk assessment and categorisation for Auckland properties as a result of the Auckland Anniversary and Cyclone Gabrielle weather events, and will form the basis of the property categorisation methodology
- b) tuhi / note the category 3 property Purchase Methodology Assessment contained in Attachment A to this agenda report sets out the policy intent and full assessment of options to support decisions on the parameters of the Voluntary Buy-out Support Scheme for category 3 properties.
- c) whakaae / approve the parameters for the purchase of category 3 properties will be described in the Voluntary Buy-Out Support Scheme Terms contained in Attachment C to this agenda report, which will be updated to reflect the decisions of the Governing Body as follows:
  - i) a market valuation pre-events with the pre-event date to be determined is used as the valuation method for the Voluntary Buy-out Support Scheme (the reference valuations)
  - ii) no maximum payment cap is applied to the Voluntary Buy-out Support Scheme property buy-out offers
  - iii) a minimum five (5) per cent homeowner contribution will apply to the Voluntary Buy-out Support Scheme property buy-out offers (in conjunction with clause c) iii) above) with a sliding scale as follows:

Insured property:

    - A) 5% for the first \$1.5 million of the reference valuation
    - B) 10% applied to reference valuation over \$1.5 million and up to and including \$3.0 million
    - C) 15% applied to reference valuation over \$3.0 million

Uninsured property:

    - D) 20% of the reference valuation (subject to consideration of individual circumstances as set out in the Scheme)
- iv) secondary properties are included as residential properties eligible for buy-out under the Voluntary Buy-out Support Scheme.
- v) a process for considering special circumstances will be included in the Voluntary Buy-out Support Scheme

Dispute resolution process

- d) whakaae / agree in principle that the dispute resolution process will include an internal review and external/independent review.
- e) tautapa / delegate to the Storm Recovery Political Advisory Group the power to approve the framework for dispute resolution.
- f) whakaae / agree to accept the Crown offer and sign a final co-funding agreement for the storm recovery package valued at \$1.984 billion, allocated as follows:

	Government funding	Auckland Council funding	Total
Transport network recovery	\$309 million	\$81 million	\$390 million
Category 3 home buy-outs	\$387 million	\$387 million	\$774 million
Risk reduction programmes	\$380 million	\$440 million	\$820 million
<b>Total</b>	<b>\$1,076 million</b>	<b>\$908 million</b>	<b>\$1,984 million</b>

- g) tautapa / delegate to the Chief Executive the power to finalise the Scheme documentation and rules related to clauses a) to f) above, in accordance with Auckland Council's policies and resolutions, including the Nominated Categorisation Approach and Voluntary Buy-out Scheme Terms.
- h) tautapa / delegate to the Chief Executive authority to implement the Scheme in accordance with the Nominated Categorisation Approach and Voluntary Buy-out Scheme Terms and Auckland Council's policies and resolutions, including:
  - i) the power to agree the terms and conditions of and execute any sale and purchase agreement in accordance with the Voluntary Buy-out Scheme Terms; and
  - ii) the power to subdelegate as necessary to enable effective and efficient implementation of the Scheme
- i) tautapa / delegate the Mayor and Chief Executive to sign the funding agreement with the Crown for the storm recovery package on behalf of Auckland Council
- j) whakaae / agree to use debt in the short term to begin implementation of the agreed scheme until more detailed financial decisions can be made in the 2024-2034 Long-term Plan
- k) tuhi ā-taipitopito / note that consideration of the council's role, if any, in the recovery of category 2P properties is currently under development and will be reported to the Governing Body for approval at the next Governing Body meeting.

Restatement

- l) whakaae / agree that the decisions, report and any attachment remain confidential until the need for confidentiality no longer exists.

Following discussion:

MOVED by Cr A Filipaina, seconded by Cr A Dalton, an amendment by way of replacement to clause c) as follows:

- c) whakaae / approve the parameters for the purchase of category 3 properties will be described in the Voluntary Buy-Out Support Scheme Terms contained in Attachment C to this agenda report, which will be updated to reflect the decisions of the Governing Body as follows:
- i) a market valuation pre-events with the pre-event date to be determined is used as the valuation method for the Voluntary Buy-out Support Scheme.
  - ii) no maximum payment cap is applied to the Voluntary Buy-out Support Scheme property buy-out offers.
  - iii) a 5% homeowner contribution is applied to the Voluntary Buy-out Support Scheme property buy-out offers.
  - iv) insurance (uninsured) status will not be taken into account for the Voluntary Buy-out Support Scheme property buy-out offers.
  - v) secondary properties are included in the access conditions for the Voluntary Buy-out Support Scheme.
  - vi) a process for considering special circumstances will be included in the Voluntary Buy-out Support Scheme.

A division was called for, voting on which was as follows:

<b><u>For</u></b>	<b><u>Against</u></b>	<b><u>Abstained</u></b>
Cr J Bartley	Cr A Baker	
Cr A Dalton	Mayor W Brown	
Cr J Fairey	Cr C Darby	
Cr A Filipaina	Cr C Fletcher	
Cr L Fuli	Cr M Lee	
Cr S Henderson	Cr D Newman	
Cr K Leoni	Cr G Sayers	
Deputy Mayor D Simpson	Cr S Stewart	
	Cr K Turner	
	Cr W Walker	
	Cr J Watson	
	Cr M Williamson	

The motion was declared LOST by 8 votes to 12.

Resolution number GB/2023/186

MOVED by Deputy Mayor D Simpson, seconded by Cr S Henderson, an amendment by way of replacement to clause c) as follows:

- c) whakaae / approve the parameters for the purchase of category 3 properties will be described in the Voluntary Buy-Out Support Scheme Terms contained in Attachment C to this agenda report, which will be updated to reflect the decisions of the Governing Body as follows:
- i) a market valuation pre-events with the pre-event date to be determined is used as the valuation method for the Voluntary Buy-out Support Scheme (the reference valuation).
  - ii) no maximum payment cap is applied to the Voluntary Buy-out Support Scheme property buy-out offers.

- iii) a homeowner contribution is applied to the Voluntary Buy-out Support Scheme property buy-out offers, as follows:
  - A) Insured property: 5% of the reference valuation
  - B) Uninsured property: 20% of the reference valuation (subject to consideration of individual circumstance as set out in the Scheme)
- iv) secondary properties are included as residential properties eligible for buy-out under the Voluntary Buy-out Support Scheme.
- v) a process for considering special circumstances will be included in the Voluntary Buy-out Support Scheme.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr A Baker	Cr J Bartley	
Cr A Dalton	Mayor W Brown	
Cr J Fairey	Cr C Darby	
Cr A Filipaina	Cr D Newman	
Cr C Fletcher		
Cr L Fuli		
Cr S Henderson		
Cr M Lee		
Cr K Leoni		
Cr G Sayers		
Deputy Mayor D Simpson		
Cr S Stewart		
Cr K Turner		
Cr W Walker		
Cr J Watson		
Cr M Williamson		

The motion was declared CARRIED by 16 votes to 4.

CARRIED

The substantive motion was put.

Resolution number GB/2023/187

MOVED by Mayor W Brown, seconded by Cr A Baker:

**That the Governing Body:**

- a) **whakaae / approve the Nominated Categorisation Approach contained in Attachment B to this agenda report which sets out the criteria and thresholds for property risk assessment and categorisation for Auckland properties as a result of the Auckland Anniversary and Cyclone Gabrielle weather events, and will form the basis of the property categorisation methodology**
- b) **tuhi ā-taipitopito / note the category 3 property Purchase Methodology Assessment contained in Attachment A to this agenda report sets out the policy intent and full assessment of options to support decisions on the parameters of the Voluntary Buy-out Support Scheme for category 3 properties.**

- c) whakaae / approve the parameters for the purchase of category 3 properties will be described in the Voluntary Buy-Out Support Scheme Terms contained in Attachment C to this agenda report, which will be updated to reflect the decisions of the Governing Body as follows:
- i) a market valuation pre-events with the pre-event date to be determined is used as the valuation method for the Voluntary Buy-out Support Scheme (the reference valuation).
  - ii) no maximum payment cap is applied to the Voluntary Buy-out Support Scheme property buy-out offers.
  - iii) a homeowner contribution is applied to the Voluntary Buy-out Support Scheme property buy-out offers, as follows:
    - A) Insured property: 5% of the reference valuation
    - B) Uninsured property: 20% of the reference valuation (subject to consideration of individual circumstance as set out in the Scheme)
  - iv) secondary properties are included as residential properties eligible for buy-out under the Voluntary Buy-out Support Scheme.
  - v) a process for considering special circumstances will be included in the Voluntary Buy-out Support Scheme.

**Dispute resolution process**

- d) whakaae / agree in principle that the dispute resolution process will include an internal review and external/independent review.
- e) tautapa / delegate to the Storm Recovery Political Advisory Group the power to approve the framework for dispute resolution.
- f) whakaae / agree to accept the Crown offer and sign a final co-funding agreement for the storm recovery package valued at \$1.984 billion, allocated as follows:

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<b>Total</b>	<b>\$1,076 million</b>	<b>\$908 million</b>	<b>\$1,984 million</b>

- g) tautapa / delegate to the Chief Executive the power to finalise the Scheme documentation and rules related to recommendations a) to f) above, in accordance with Auckland Council’s policies and resolutions, including the Nominated Categorisation Approach and Voluntary Buy-out Scheme Terms.

- h) tautapa / delegate to the Chief Executive authority to implement the Scheme in accordance with the Nominated Categorisation Approach and Voluntary Buy-out Scheme Terms and Auckland Council’s policies and resolutions, including:
  - i) the power to agree the terms and conditions of and execute any sale and purchase agreement in accordance with the Voluntary Buy-out Scheme Terms; and
  - ii) the power to subdelegate as necessary to enable effective and efficient implementation of the Scheme
- i) tautapa / delegate the Mayor and Chief Executive to sign the funding agreement with the Crown for the storm recovery package on behalf of Auckland Council
- j) whakaae / agree to use debt in the short term to begin implementation of the agreed scheme until more detailed financial decisions can be made in the 2024-2034 Long-term Plan
- k) tuhi ā-taipitopito / note that consideration of the council’s role, if any, in the recovery of category 2P properties is currently under development and will be reported to the Governing Body for approval at the next Governing Body meeting.

**Restatement**

- l) whakaae / agree that the decisions, report and any attachment remain confidential until the need for confidentiality no longer exists.

**CARRIED**

Note: Under Standing Order 1.8.6, Cr Filipaina requested his dissenting vote against clauses c) iii) A) and c) iii) B), be recorded.

**Attachments**

- A 6 October 2023, Governing Body: Item C1 - CONFIDENTIAL: Consideration of Crown co-funding offer for storm recovery and resilience, Presentation

4.12 pm

The chairperson thanked members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
AT A MEETING OF THE GOVERNING BODY HELD  
ON

**DATE:**.....

**CHAIRPERSON:**.....