

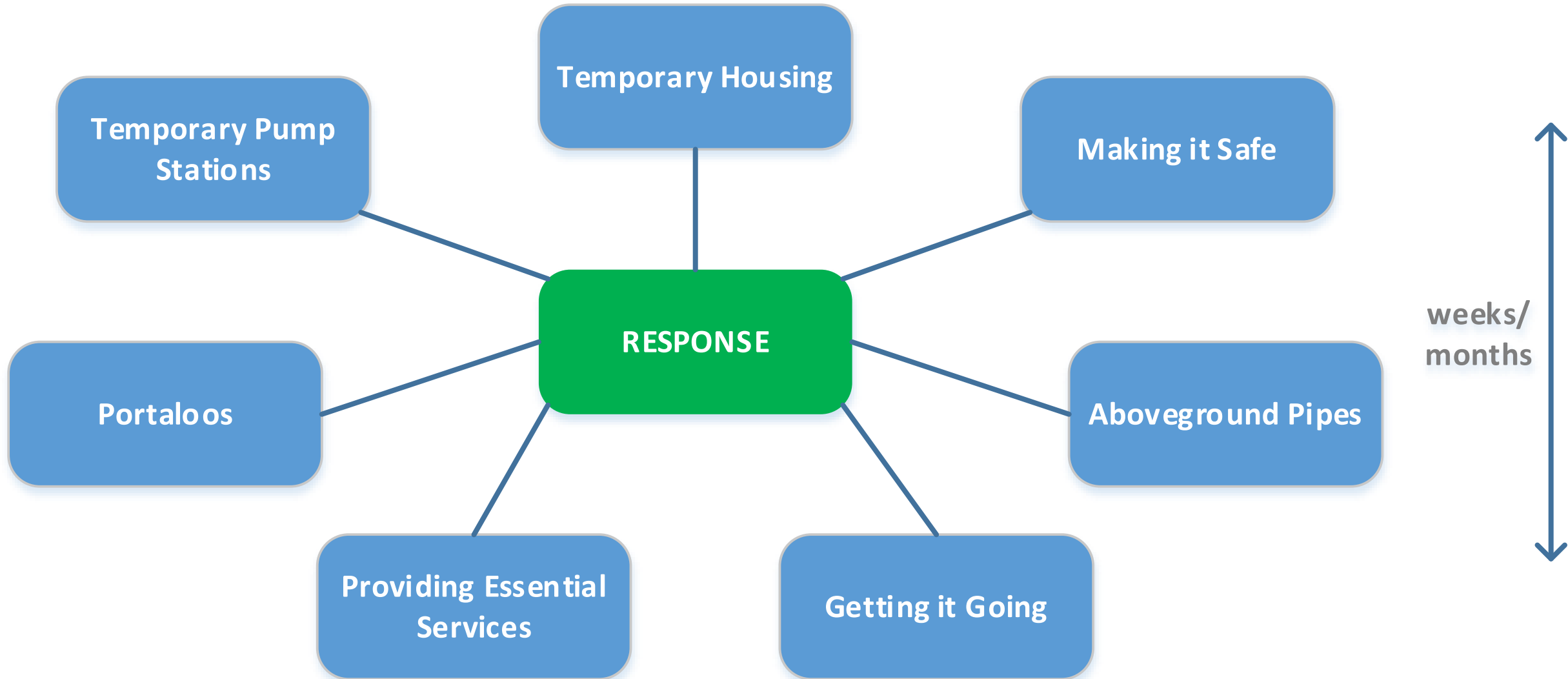
FUNDING A DISASTER – INFRASTRUCTURE RECOVERY

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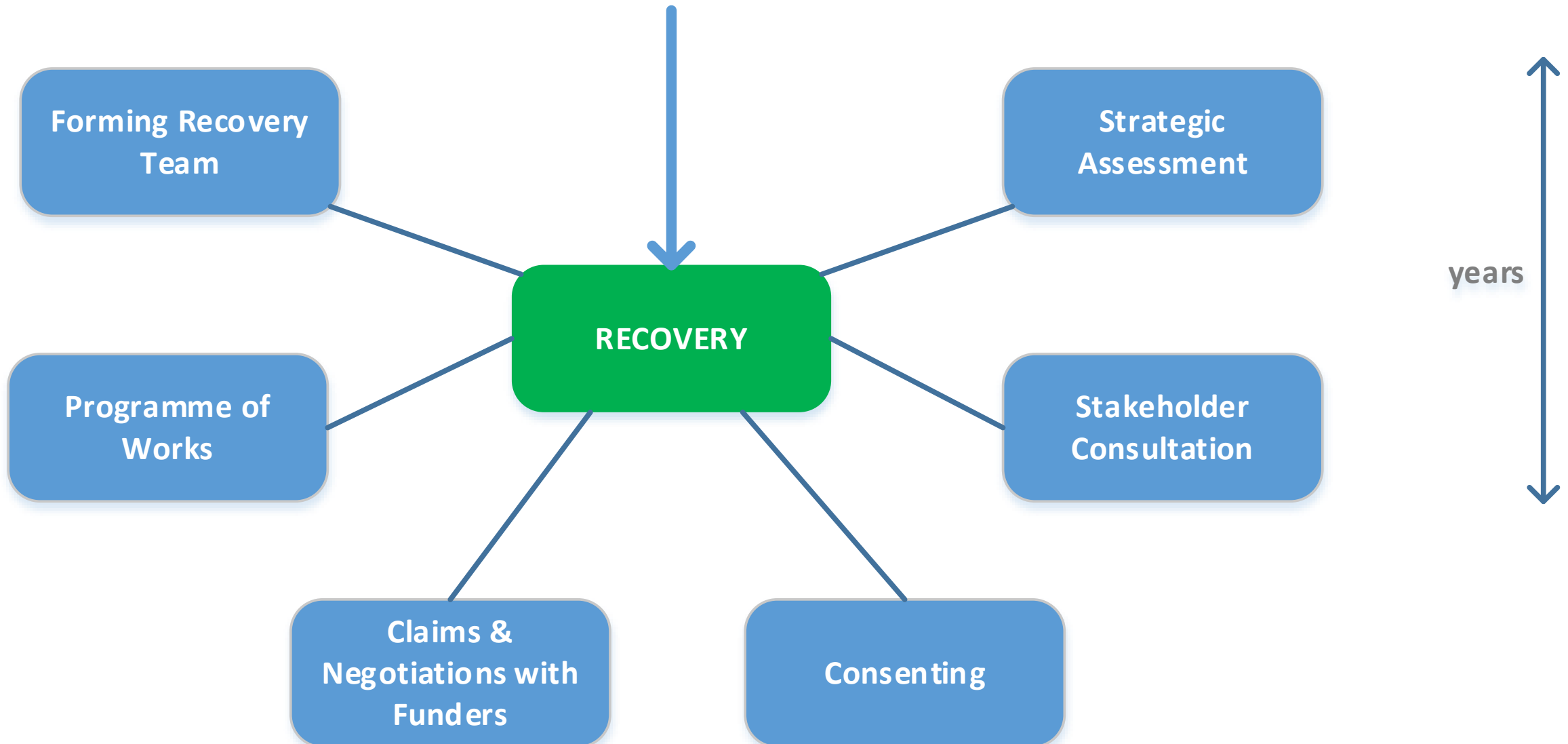
David Edge (Hurunui District Council)



Response to Recovery



Response to Recovery



The Funders

1. Aboveground: Panel of Insurers
2. Belowground (40%): Local Authority Protection Programme (LAPP)
3. Belowground (60%): The Crown



Funding for Aboveground Structures

- Mechanical Equipment
 - Replace or Repair
 - Relocate
 - Excesses
 - Business Interruption Costs
 - Claim Preparation Costs
 - Inflation Costs
 - Contingency Costs
 - Lump Sum Pay-out
- 

LAPP – Local Gov. Protection Programme Disaster Fund

LAPP is a not-for-profit non-taxable discretionary mutual charitable trust

60% Crown contribution is available if:

“The local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or

The local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery.”

Crown – What will they cover?

Council → Department of Prime Minister and Cabinet (DPMC) → Ministry of Civil Defence & Emergency Management (MCDEM) → Ministry of Civil Defence or Cabinet

“The objectives of any government financial support to local authorities are to:

*(a) provide support by meeting **some** of the costs incurred in managing the response to and recovery from an emergency; and*

*(b) provide the **minimum** level of assistance required to restore to an affected community the capacity for self-help”*

*“Government financial support is based on the expectation that local authorities will be **primarily responsible for bearing the financial costs** of the impact of an emergency in their geographical and functional areas of responsibility.”*

Crown – Council Costs?

“Initial and primary responsibility for the co-ordination of recovery efforts rests with local authorities.”

Council costs are not eligible



Crown – What is Eligible?

Council Owned?

Betterment?

Network Performance Impact?

Imminent Failure?

Critical Asset?

Critical Location?

High Operational Costs?

Core Service Interdependences?

Crown - Threshold

- *“0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils.”*

Findings

- Use Local Knowledge
- Timing is Important
- Accurate Asset Data prior to Event
- Assess and Track Damage



Conclusions

- Have easily accessible asset data with up-to-date information
- Lead the Response and Recovery from within Council
- Investigate early and thoroughly
- Understand the eligibility requirements and the limitations of the disaster funders

Questions



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