

Market Announcement

24 August 2023

Cost Share Negotiations with Government

Auckland Council's Governing Body will today consider the council's position on a cost sharing arrangement with the Crown, to compensate high-risk property owners who can no longer live in flood-affected homes, and fund other flood response activity.

At the meeting, the Mayor and councillors will receive a confidential update from council staff, who have been working with Treasury and government representatives to negotiate this arrangement. The Governing Body will then consider whether to accept the terms the negotiation team has reached, paving the way for next steps towards certainty for property owners and subject to public consultation.

In July, the council signalled that costs to the Auckland region, as a result of the January and February severe weather events, [could be as high as \\$4 billion](#), with a portion of those costs attributed to the cost to homeowners whose properties pose a future risk to life.

In reaching this stage of the agreement, the council has considered how it might use a wide range of funding levers to manage the additional costs and maintain its commitment to prudent financial management.

Public consultation requirements, when making significant commitments with public funds, are being taken into account and will be part of the next steps.

A public statement will be made once this decision has been made.

Background

Auckland has experienced multiple extreme weather events since January 2023. These have caused flooding and land instability throughout the region, with a devastating and lasting impact on many communities and individuals. Many thousands of homes and businesses have been affected. Many Aucklanders with damaged homes still face a challenging and uncertain future.

Earlier this year the government announced it would enter into funding agreements with councils in cyclone and flood affected regions to support them to offer voluntary buy-out for owners of high-risk (Category 3) properties and to co-fund work needed to protect properties where risk can be managed (Category 2).

Auckland Council representatives have since been in discussions with the Crown on the voluntary buyout scheme and cost sharing proposal.

ENDS

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