



## Kaikōura Earthquake Relief Fund Factsheet

Updated 1 March

For more information and copies of the application form go to:

<http://www.marlborough.govt.nz/Services/Emergency-Management/Emergency-Events/EQ2016/PIERF.aspx>

**Note the deadline for applications has been extended to March 31, 2017.**

Government is providing a \$4 million primary industries earthquake relief fund for damage from the 14 November 2016 earthquake. All earthquake-affected farmers, fishers and growers in the Hurunui, Kaikōura and Marlborough districts can apply for a grant to contribute towards uninsurable infrastructure repairs.

The fund is to assist rural people whose principal income comes from a primary industry:

- the primary production of poultry, meat, wool, or dairy products
- sharemilking
- arable farming, horticulture, viticulture, forestry, market gardening
- an orchard, herb or flower growing,
- apiculture
- aquaculture and fishing (including pāua, crayfish, finfish)

It does not include hobby farming (such as lifestyle blocks).

The funding may only be allocated in the form of a grant to help pay for costs associated with:

- restoring uninsurable primary sector infrastructure
- re-establishing uninsurable pasture (on cultivatable land only), crops, and forestry
- initial clean-up of silt and debris (where uninsurable).

This could include: on-farm access roads, tracks, races, bridges without sides, dams and reservoirs, as these are generally uninsurable.

### Details of what the grants will cover

- Priority will be given to essential repairs to continue farming, such as roadside boundary fencing, boundary fencing, access tracks and stock water supplies.
- Any grant will be a contribution towards repairs, up to a maximum of 50% of the cost.
- The damage must exceed \$12,000 in total for you to be considered for assistance.
- An excess of \$5000 will be deducted from the 50% that is eligible for funding. The amount awarded may be adjusted if eligible funding requests exceed the \$4 million available.

- The maximum any one entity could receive from the fund is \$50,000.
- Funding may be available where the cost of repairs (for example to fences, water reticulation) exceeds the limited cover provided by insurance. Applicants will need to deduct any insured amount that can be claimed from insurers.
- Funding is not available for repairs that can be insured, but were not.

#### What you should repair now

- You don't have to have repairs completed before applying for a grant.
- Due to the large quantity of damage the earthquake caused, the total cost of repairs is expected to be greater than the \$4 million available. People are advised to make any repairs they can afford now rather than waiting and expecting to receive a grant.

#### How to apply

Keep or gather any evidence or information you have about the cost of repairs, and that they are uninsurable.

[Fill in the application form](#) and send it by 31 March 2017 to:

**Email:** [pierf@marlborough.govt.nz](mailto:pierf@marlborough.govt.nz)

**Post:** PI Earthquake Relief Fund

Marlborough District Council

15 Seymour Street

PO Box 443

Blenheim 7240

#### Where can I get help with my application?

Workshops are being held in your area to help with applications. Check the calendar of events or go to the Rural Support Trust website to find out when and where the next ones are.

If you have any other questions contact your local Rural Support Trust on 0800 787 254 (0800 RURAL HELP).

- [Earthquake recovery events calendar](#) [PDF, 15 KB]
- [Local information on the Rural Support Trust website](#)

#### When will I find out if I am successful?

The panel aims to have all applications answered within a month after deadline. Successful applicants will be asked to provide a GST invoice for the agreed sum plus GST to the Ministry for Primary Industries, and the money will be distributed by your relevant council.

#### Who is on the panel?

Cabinet has appointed a panel to review the applications. These include the three Mayors and a cross-section of rural expertise:

- Winton Dalley, Mayor Hurunui District Council
- Winston Gray, Mayor Kaikoura District Council
- John Leggett, Mayor Marlborough District Council
- Katie Milne, Federated Farmers representative
- Grant McFadden, North Canterbury Rural Support Trust

- Jansen Travis, Consultant Tambo New Zealand (North Canterbury)
- Greg Sheppard, Consultant Sheppard Agriculture (Marlborough)
- Ian Brown, Environment Canterbury Principal Strategy Advisor, Land Management
- Alan Johnson, Marlborough District Council Environmental Science and Monitoring Manager
- Jeremy Neild, Ministry for Primary Industries Policy Agent
- Sir Mark Solomon Ngāi Tahu.

The panel has responsibility for assessing applications against agreed government criteria, and reporting back on how the funding had been spent once final decisions have been made.

## **FAQs collated from workshops and calls.**

**Are the applications assessed by each council or is it by one panel?**

One panel, with representatives from each council.

**If I have more than one farm, is it a single application for all farms or do I complete a separate application for each farm?**

You choose whichever suits you best and make it explicit in your claim what you have done and why.

**What is the maximum grant; \$45,000 i.e. \$50,000 less the \$5,000 excess; or \$50,000 i.e. \$55,000 less the \$5000 excess?**

\$50,000.

**What if the fund is over-subscribed?**

A pro-rata allocation method will be developed by the panel

**How will it be assessed?**

Initially by the technical panel (Jeremy Neild, Alan Johnson, Ian Brown, Greg Sheppard and Jansen Travis). The rest of the panel will ratify the decisions.

**Who can apply?**

Anyone whose principal income (50% or more) is derived from the Primary Industry business. If one family member works off farm but the other is the farmer, and spends the vast majority of their time farming that block and earns their principal income from that land, then they can apply.

**Are fisheries included?**

Yes, we encourage fisheries to apply for uninsurable items and they will be considered equally to the other applicants.

**Can we apply for costs associated with replanting forestry blocks?**

Forestry blocks could claim for assistance covering the clean-up of debris, net of any income from timber recovery, as well as the cost of replanting. Forestry re-establishment only includes the cost of replanting, not subsequent silviculture.

**Are hunting blocks eligible?**

The Assessment Panel has discretion to consider applications for trophy hunting blocks; provided the household/business entity derives more than 51 percent of its income from the land used for this activity and any associated farming.

**How does tax and GST apply to the Primary Industries Earthquake Relief Fund?**

Each claim is submitted for the total calculated repair cost. The eligible share of the grant is calculated at a maximum of 50%, less the \$5000 excess. The Assessment Panel will consider all the applications and make a decision on a grant in respect of each application. The applicant will be advised of the decision and asked to invoice for the agreed amount, plus GST.

Grants in this case are not considered taxable income and the related expenditure should not be deducted for taxation purposes. If you receive a grant you will need to get advice from your accountant on the exact income tax treatment.

### Is Marlborough District Council running the fund?

No, Marlborough District Council has volunteered to help by collecting the applications on behalf of all three councils. MPI is providing a secretariat to collate the applications and every application will be reviewed by the whole panel, regardless of which district it is from.

### How much could I be eligible for and when?

- You can put in a claim for the total amount of uninsurable infrastructure repair.
- The total damage must exceed \$12,000 for you to be considered for assistance.
- Any grant will be a contribution towards repairs, up to a maximum of 50% of the cost.
- An excess of \$5000 will be deducted from the 50% that is eligible for funding. The amount awarded may be adjusted if eligible funding requests exceed the \$4million available.
- The maximum any one entity could receive from the Fund is \$50,000.
- Not everyone who applies will be able to receive a grant.
- The panel intends to have all applications answered within a month after deadline. Successful applicants will be asked to provide a GST invoice for the agreed sum plus GST to the Ministry for Primary Industries, and the money will be distributed by your relevant council.

The assessment formula to calculate the maximum allowable grant is:



The maximum grants calculated would then be totalled against available funds and pro-rated if necessary to fit within the funding available.

### What about improvements or changes?

Funding is generally limited to replacing like with like, and to the length of tracks, etc., actually damaged in the earthquake. Cheaper alternatives may be chosen as long as the functionality is the same. Infrastructure may be moved to accommodate changes in landform due to the earthquake.

### Can I apply for costs of transport, labour and equipment?

Delivery of materials to site of damage can be claimed. Helicopter costs will only be eligible for claims if there is no practical, cheaper alternative.

You can claim for own on-farm labour diverted to recovery, provided you keep records of how the labour was used, including time and what would normally be paid for that labour. The labour rate that can be claimed will be capped at \$30 per hour.

You can claim for the use of farm equipment at the hourly rate that fairly reflects operating costs for that machine, and this would be less than it would cost to hire equipment of the equivalent size.

#### **How are fencing costs identified?**

The Assessment Panel may choose to use district average rates for fencing in assessing total requests for funding. The length of fencing needed to be repaired or replaced should be shown on the application form.

#### **What about reseeded?**

Funding will not be allocated for reseeded of hillside slip scars (this is because it is an economically marginal exercise). However, if slip tailings cover cultivatable land then the restoration of crops and pasture on that land may be claimed. A district average rate for pasture establishment may be used. The area required to be cultivated to restore pasture or crops should be shown on the application form.

The restoration of pasture and crops includes the cost of growing it to the stage it was in November (i.e. including relevant fertilizer and pesticides).

#### **What about repairing stop banks or creating new stop banks where a river has altered its course?**

Repairing is claimable. For new ones it will depend on circumstances and who is involved (such as Councils). So make the claim and explain the circumstances

#### **If part of my land has been taken by the river, can I claim?**

No, it is a loss, not a cost. (Unless you spend money reclaiming it).

#### **What about reusing materials to fix fences?**

You can only claim for the labour. Reusing materials is not a cost.

#### **Does it cover temp accommodation needed for extra workers to get the job done?**

Yes

#### **Can I claim for aerial surveying used to assess fence damage?**

Yes, but make sure you explain why and have good justification.

#### **Is contouring prior to re-pasturing included in the \$900?**

Contouring will be an additional, claimable cost.

#### **Can the beekeepers that use the property make a claim?**

It depends on your contractual arrangement with them e.g. regarding making and maintaining access tracks.

#### **Is using helicopters, because tracks are inaccessible till repaired, to access beehives that had fallen over, claimable?**

As it is not repairing infrastructure but increased operating costs due to infrastructure damage it is not eligible.

#### **I have opened some of the tracks to get access but will still need to go back over them to get them back to fully usable.**

Include the initial work and also an estimate of the cost to get back into the condition they were in before the quake.

#### **How do we treat temporary/emergency repairs e.g. to fences?**

Claim for the temporary work and then claim for the real repair. Justify the temporary fix e.g. boundary fence, separating boys and girls.

#### **Can we claim mileage for collecting materials e.g. for fencing?**

Yes as an alternative to paying delivery costs. Use a rate per km that is defensible based on either advice from your accountants, the IRD rate of 72c/km, or a rate that you have been billed and can provide as evidence, but not one from a haulage company as that has a profit element.

#### **Can we claim for feeding and looking after temporary workers in our homes or on our property?**

Yes same as you can claim temporary worker accommodation costs. Suggestion is to establish costs based on your experience. One example we have heard is \$30.00 a day per head for meals and board and \$20 an hour for cooking and cleaning.

#### **Can I claim for work done by volunteers?**

No – it is not a cost. You can only claim for costs.

(However, separate to the Earthquake Relief Fund, you can call the 0800 FARMING line if you would like to request skilled workers / volunteers on your farm at no cost to you).

#### **Can we claim for cost of pole planting to stabilise slips caused by the quake?**

The panel will decide based on circumstances; so costs may be included in the claim and should be separately identified and supported by photos and any other evidence available, including, if available, advice from regional council land managers supporting the planting plan

#### **Why are there limits and excess?**

The \$4 million Earthquake Relief Fund will cover part of the repair costs affecting primary industries, and therefore needs to be allocated equitably across the affected districts. Grants are a contribution towards repair costs, so farmers, fishers and growers will also need to contribute.

The Crown is not the insurer of first or last resort. The funding targets those who will find it more difficult to get their farms back into operation. The \$5000 excess is lower than what has been used previously.

#### **How is insurable baselined?**

The baseline is what your insurance company offers; not what other companies may offer and not what you choose to insure/not insure. Insurable limits are also what your insurer offers not what you chose.

### **WHERE ELSE CAN I GET HELP?**

There are several other sources of support for which you may be eligible. Other help may include work and income support, Mayoral relief funds, civil defence payments, help with living expenses, temporary accommodation, counselling, rural assistance payments, and financial support for businesses. More details can be found here: <https://www.workandincome.govt.nz/eligibility/emergencies/earthquake-nov-2016.html>.

- If you need more workers on the farm between now and May 2017, please call 0800 FARMING to register your needs for free skilled labour and volunteers.
- If you would like a free and confidential chat to get pointed in the right direction for anything else, please call your local Rural Support Trust on 0800 RURAL HELP.
- Talk to your bank, advisors and accountant about other options for you.

#### **The employer subsidy scheme**

The Ministry of Social Development advises the employer subsidy scheme is open and farmers/growers/fishers who work in the area and have lost income due to the earthquake should check their eligibility: <https://www.workandincome.govt.nz/online-services/eesp/index.html>