

Malcolm Nicolson Chief Executive Northland Regional Council Private Bag 9021 Whangārei Mail Centre Whangārei 0148

10 November 2016

Dear Malcolm

I write with regards to the Funding Deed of 21 November 2011 between the Crown and the Northland Regional Council and the Far North District Council for \$500,000 to implement the Kaeo Flood Risk Reduction Strategy.

On 31 August, you requested (on behalf of both Councils) an extension of time and variation to the Funding Deed so that unspent funds can to be spent on additional vulnerable properties and/or Stage 2 of the flood mitigation works for Kaeo.

Such decisions rest with the Minister of Civil Defence as that Minister is responsible for the government appropriation from which this funding was drawn. The Acting Minister of Civil Defence, Hon Gerry Brownlee, has carefully considered your request. The funding was to mitigate flood risk for the specified vulnerable properties identified in the Funding Deed. I can now inform you that the Minister has declined your requested variation to the Funding Deed.

We are aware that there are financial and non-financial reasons why the Council may be unable to undertake flood risk mitigation works on the remaining six vulnerable properties. However, we encourage you to exhaust all possibilities to reach agreement with the owners of the remaining properties.

The Funding Deed (clause 4.6) provides for us to agree a time extension as an operational matter, should the project not be completed when the Deed expires on 25 November 2016. Should you require more time to complete the project, please contact me to discuss an extension.

Yours sincerely

Sarah Stuart-Black Director CDEM