



Kaikōura Earthquake Relief Fund Factsheet

Applications and grants for the Kaikōura Earthquake Relief Fund closed on 31 March 2017. The fund had a total amount of \$4 million available to assist primary producers affected by the earthquakes in the Hurunui, Kaikōura and Marlborough districts. Their principal income needed to come from:

- 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).

This did not include hobby farming (such as lifestyle blocks), mining, quarrying or tourism activities.

The funding was to 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).

Income losses resulting from the earthquakes could not be claimed.

There was a minimum threshold for claim of costs of \$12,000 and an upper cap on claims of \$50,000. On the advice of the Assessment Panel when reviewing claims, the upper cap was increased to help pay for some extreme cases of damage to uninsurable infrastructure.

What was the assessment process?

Cabinet appointed a panel to review the applications. Members included the three Mayors and a cross-section of rural expertise in the affected areas. The panel had responsibility for assessing all applications against agreed government criteria. The technical panel made recommendations which were reviewed and ratified by the full panel.

How did tax apply to the Primary Industries Earthquake Relief Fund?

If you received a grant you need to get advice from your accountant on tax treatment.

Could costs associated with replanting forestry blocks be claimed?

Forestry blocks could claim for cleaning up debris, net of any income from timber recovery, as well as the cost of replanting. Forestry re-establishment included the cost of replanting, not subsequent silviculture.

Were hunting blocks eligible?

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

What about improvements or changes?

Funding was generally limited to replacing like with like, and to the length of tracks, etc., actually damaged in the earthquake. Cheaper alternatives could be chosen as long as the functionality was the same.

Infrastructure could be moved to accommodate changes in landform due to the earthquake.

How were fencing costs identified?

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

Could I apply for costs of transport, labour and equipment?

Delivery of materials to site of damage could be claimed. Helicopter costs were only eligible for claims if there were no practical, cheaper alternative. As an alternative to delivery costs you could claim mileage for collecting repair materials, using a rate per km defensible based on either advice from your accountants, the IRD rate of 72c/km, or a rate you were billed and provided as evidence, but not from a haulage company.

You could claim for on-farm labour diverted to recovery, provided you kept records of how the labour was used, including time and what would normally be paid for that labour, capped at \$30 per hour. You could claim reasonable temporary worker accommodation costs.

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

What about reseeding?

Funding was not allocated for reseeding of hillside slip scars (an economically marginal exercise). However, if slip tailings covered cultivatable land then the restoration of crops and pasture on that land could be claimed. A district average rate for pasture establishment was used. The area required to be cultivated to restore pasture or crops needed to 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). Contouring was an additional, claimable cost.

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

Repairing was claimable. For new ones it depended on circumstances and who is involved (such as Councils). Land taken by the river was a loss, not a cost. (Unless you spend money reclaiming it).

Could the beekeepers that use the property make a claim?

It depended on the contractual arrangement with them e.g. regarding making and maintaining access tracks.

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

You could claim for the initial work and an estimate of the cost to get back into pre-quake condition.

How were temporary/emergency repairs, such as to fencing, treated?

Claiming for the temporary work and then for the real repair. Justifying the temporary fix e.g. boundary fence, separating boys and girls.

Could we claim for cost of pole planting to stabilise slips caused by the quake?

The panel decided on each circumstance; so costs needed to be separately identified and supported by photos and other evidence, such as advice from regional council land managers supporting the planting plan.

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.

If you would like a free and confidential chat to get pointed in the right direction for other support and advice, please call your local Rural Support Trust on 0800 RURAL HELP.

Talk to your bank, advisors and accountant about other options for you.