

ADDITIONAL WRITTEN COMMENTS BY THE CROWN FOR THE HEARING PANEL ON THE PRELIMINARY DRAFT WAIMAKARIRI RESIDENTIAL RED ZONE RECOVERY PLAN

This document supports the submission *Written comments by the Crown on the Preliminary Draft Waimakariri Residential Red Zone Recovery Plan* dated 4 March 2016 and the talking points presented by Greater Christchurch Group officials, for and on behalf of the Crown, to the Hearing Panel at 9.45am on 6 April 2016. All three documents should be read in conjunction.

The aim of these additional written comments is to discuss and elaborate, including by providing specific examples, on the themes outlined in the Crown's written comments of 4 March 2016. Our intention with this information is to help support the Waimakariri District Council (the Council) in developing a robust draft Recovery Plan which clearly meets the recovery objectives¹, including those set out in the Minister for Canterbury Earthquake Recovery's direction for the Recovery Plan.

1. RECOVERY OBJECTIVES

- 1.1 The Crown's support for future use options for the Waimakariri residential red zones (RRZ) will be based on how the proposed future uses contribute to the Crown's earthquake recovery objectives and obligations (including those set out in the Recovery Strategy and Canterbury Earthquake Recovery Act 2011 (CER Act)), and reflect the objectives in the Minister's direction and the vision and goals set out in the Preliminary Draft. While our comments on this theme provided on 4 March were not reflected in the Officer's Report, it should be a key point for the Council's consideration in developing the draft Recovery Plan.
- 1.2 We recognise that the Preliminary Draft highlights the objectives set out in the direction and briefly identifies the objective/s the Council considers each preferred option would meet (for example via the blue boxes at the end of each section). However, the Preliminary Draft does not clearly explain how and why the preferred options for each area would contribute to these objectives, nor does it provide a comparison of the options.
- 1.3 It is important that the Crown, particularly given its role and responsibilities as a significant landowner of the Waimakariri RRZ, has a comprehensive understanding of how each option will meet the recovery objectives. The draft Recovery Plan and/or any appendices or supporting documents will need to more clearly explain how each proposed future use will achieve earthquake recovery objectives in a practical sense. The Summary Ideas Assessment in Appendix 2 is a good starting point, but it needs to be accompanied by detailed reasoning, i.e. why was each land use option given a tick and/or a cross or a circle and how will each preferred option help to achieve earthquake recovery objectives.
- 1.4 To articulate how the various options would meet the objectives, and therefore determine the best/preferred option for each area, the draft Recovery Plan should:
 - assess all options and potential outcomes (and opportunity costs) through a cost/benefit analysis, including for example consideration of the Recovery Strategy, CER Act and Minister's direction, and the vision and goals set out in the Preliminary Draft. This analysis should be

¹ The recovery objectives include those set out in the Recovery Strategy for Greater Christchurch, the obligations in the Canterbury Earthquake Recovery Act 2011, the Minister's direction to the Council, and the vision and goals set out in the Preliminary Draft Recovery Plan. The recovery objectives are described in more detail in section 1.

supported by community engagement results and relevant evidence e.g. geotechnical information, psychosocial research and/or economic projections;

- assess all of the options with regard to relevant statutory and non-statutory instruments, including the New Zealand Coastal Policy Statement 2010, the Canterbury Regional Policy Statement, the Mahaanui Iwi Management Plan, the Ngāi Tahu Claims Settlement Act 1988, the Resource Management Act 1991, the Land Use Recovery Plan and other recovery plans and relevant Council strategies and plans
- identify where there are uncertainties and whether any further analysis could or should be undertaken;
- consider the risks associated with each option and possible mitigation/resolutions; and
- consider and propose the ownership, implementation and management options.

1.5 This comprehensive explanation should be undertaken for all potential options, not just those that have been identified as the preferred options in the Preliminary Draft. It is not sufficient to merely state which objective and/or goal each option would meet, there must be a 'how' and 'why'. This high level of detail is critical for providing a robust draft Recovery Plan for the Minister's consideration.

1.6 This would also assist the Crown in considering whether the land should be vested in the Council, should this be relevant (refer to section 5). We recognise the need for the draft Recovery Plan to be an accessible, concise and easy-to-understand document, and note that detailed analysis could be attached as an appendix to the draft Recovery Plan. We recommend this information is attached as an appendix (rather than, for example, as a supporting document), so that it can be included as part of the statutory document to reinforce the rationale for supporting preferred options and assist with the implementation of the options in the Recovery Plan.

1.7 As we are committed to supporting the Council develop a robust draft Recovery Plan, officials from the GCG are available to work with the Council in the weeks ahead to determine the type and level of detail that is required for the development of the future use options.

For Example:

1.8 In the Preliminary Draft Mahinga Kai is identified as the preferred option for Area 4. As part of the explanation of how this option would specifically meet recovery objectives, a comprehensive explanation of Mahinga Kai could be attached as an appendix to, and summarised succinctly in, the draft Recovery Plan. This could include:

- a summary of the views of Te Rūnanga o Ngāi Tahu and Ngāi Tuahuriri about the option including why and how they support the option and whether they have identified any concerns or risks (we note that this is reflected in the Officer's Report p.49);
- analysis of how the objectives described in the Minister's direction (in particular decisions about the RRZ should result in outcomes that are resilient and enduring – contributing to restoration and enhancement of ecosystems) and the Natural Environment section of the Recovery Strategy are met. This analysis would be supported by references to evidence and the results of community and iwi engagement;
- more information about how the areas would be established, used and promoted to support community well-being cultural values and ecosystem health;
- more information about why this particular option would meet the options better than the other options considered;

- identification of any uncertainties about the option (e.g. land contamination or implementation timeframes) along with further work that could/should be undertaken; and
- outlining any risks associated with the option and identifying appropriate mitigations.

1.9 This type of assessment would provide more compelling reasoning for Mahinga Kai being the best future use option for area 4 than is currently provided in the Preliminary Draft. We also support the recommendation in the Officer's Report (p51) about providing greater detail in the draft Recovery Plan on what a Heritage and Mahinga Kai area is.

2. VISION AND GOALS

2.1 How the proposed future uses will help achieve the vision and goals for the RRZ will also need to be articulated clearly in the draft Recovery Plan. We acknowledge that the Preliminary Draft outlines the Plan's vision and goals and briefly identifies which goal/s each preferred option would meet.

2.2 The draft Recovery Plan and any supporting documents should more clearly explain how each proposed future use will contribute to the realisation of the vision and goals, and also how the proposed future use will achieve recovery outcomes in a practical sense.

2.3 Our comments in section 1 about a comprehensive assessment for each option also apply to the vision and goals. A comprehensive assessment would take into account how the vision and goals would be reflected by each option and would strengthen the rationale for proceeding, or not, with different options.

3. RESIDENTIAL OPTIONS

3.1 The Crown is seeking further information to assist with determining whether or not residential development is feasible in some areas of the Waimakariri RRZ and whether this would be the best use of the land. Without this information, the Crown believes it is premature for residential development options to be discounted at this stage of the process.

3.2 We had hoped to have this information ready for today's hearing, but the Crown is still in the commissioning the work. We will share this information with Council as soon as the work is completed, to assist the Council in the development of the draft Recovery Plan.

3.3 We note that the potential benefits of residential development in these areas would not be limited to economic benefits. Residential development could contribute to the revitalisation of the Kaiapoi Town Centre, which is a stated goal of the WDC in the Kaiapoi Town Centre Plan 2011. References to residential options in other relevant strategies, for example the Land Use Recovery Plan and Long Term Plan, should also be considered.

For Example:

3.4 We consider that there has been insufficient analysis of the feasibility of residential options in Kaiapoi East (approximately 22-28 hectares) and Kaiapoi South (7 hectares) to draw the conclusion that residential development is 'unlikely to be economic' (Preliminary Draft pp. 30-35 and 41-44). In this regard we note that a Stage 1 report by Tonkin and Taylor (2015) has indicated that there are no 'fatal flaws' for residential or commercial development in these areas.

4. RURAL USE

- 4.1 We want to help ensure that options for the future use of the Waimakariri RRZ are not discounted or limited prematurely and that they are clear to the community. All areas identified for ‘rural’ use in the Preliminary Draft could be identified as ‘rural residential’ use in order to allow for a range of potential uses in the medium and longer term, even if rural use is the preferred option in the short term.
- 4.2 Retaining the option of ‘rural residential’ use could significantly increase land values. There are also potentially long-term regeneration benefits from even low-density residential use of this land (rather than rural) given its proximity to Kaiapoi’s town centre.

For Example:

- 4.3 In the Preliminary Draft it is proposed that land in Kaiapoi South (area 5) and Kaiapoi East (area 12) are zoned rural. Given the proximity of this land to the Kaiapoi town centre, there are potential long-term regeneration benefits from low-density residential use of this land (rather than rural).

5. VESTING AND DISPOSAL OF CROWN-OWNED LAND

- 5.1 We need to be clear that there are limitations on Crown expenditure and the Crown needs to ensure that any decisions on using public funds, including vesting Crown-owned RRZ land, are fiscally prudent and affordable. While our comments dated 4 March on this theme were not reflected in the Officer’s Report, it is a critical consideration for the development of the draft Recovery Plan.
- 5.2 New Zealand’s responsible fiscal management principles are set out in the Public Finance Act 1989 and include:
- addressing fiscal sustainability by managing fiscal risks facing the Crown prudently and considering the impact on present and future generations; and
 - addressing fiscal structure by ensuring that the Crown’s resources are managed effectively and efficiently.
- 5.3 This means that any decision to dispose of any asset held on behalf of the Crown, such as Crown-owned RRZ land, requires the careful consideration and balancing of a wide range of interests. This includes taking account of the Crown’s obligations to taxpayers and ratepayers and the demands on public spending such as health, education, social welfare, transport and defence. The Crown must act both in the best interests of New Zealand as a whole and also take into account the Crown’s earthquake recovery objectives for greater Christchurch – and wherever possible identifying the shared interests, that is, where a use of Crown-owned RRZ land best meets all the Crown’s obligations
- 5.4 Similarly, any requests or proposals to purchase RRZ land by private individuals need to be first assessed by the Council as part of the Recovery Plan process. We refer to page 34 of the Officer’s Report that states these requests are a matter for the Crown, as the land owner, to “explore directly with the requesting landowners”, suggesting that this is outside or separate from the Recovery Plan process. We consider such an approach risks undermining the intent of the Recovery Plan. The Minister’s direction was for the Council to consider and develop a

comprehensive and cohesive plan for all Waimakariri RRZ areas – which includes those areas adjacent to green zone properties. If the Council assesses a private request or proposal to purchase RRZ land and determines that it would help to meet earthquake recovery objectives, the Council needs to explain why and how it would meet these objectives in the draft Recovery Plan. Equally, if the Council assesses that such a use would not meet the recovery objectives, then this should be articulated.

5.5 Should preferred options to vest Crown-owned RRZ land in the Council or other parties be progressed, some of the matters the Crown would need to consider include:

- the overall economic costs (including opportunity costs) and benefits of each option;
- other costs (including opportunity costs) and benefits of each option (e.g. environmental, health, cultural, social and/or community benefits);
- how each option fits with existing assets and services within the wider state sector (e.g. roads, schools and health services);
- the risks and likelihood of each option and investment/divestment meeting earthquake recovery objectives;
- what resources are already being applied to meet earthquake recovery objectives and/or whether resources could be reallocated for better use; and
- the profile of future investments including costs, benefits and spending pressures that may emerge.²

5.6 The point here is that making vesting decisions is neither quick nor easy, and it is helpful for everyone involved to be clear about what the process involves. The disposal of any Crown-owned RRZ land must be approved by the relevant Minister and/or Cabinet. Where such assets are proposed to be vested at below their holding/market value, Cabinet approval and financial appropriations are also needed. The Cabinet process involves a number of stages, including departmental and political consultation, and can take up to several months. It is critical that Cabinet papers' recommendations are robust, therefore any proposal to vest land in the Council must be supported by a compelling rationale.

For Example:

5.7 The Preliminary Draft's preferred option is for the Crown to vest land in the Council for areas 7, 10-13, 16, 18, 20, 21, 25 and also potentially 19. These options would need to be assessed on a case-by-case basis. The Crown, where it owns the RRZ land, is open to discussing the circumstances in which it could vest such land in the Council. Given the Crown's financial responsibilities to all ratepayers and taxpayers to deal appropriately with Crown assets, a compelling case as to why the land should be vested for nil consideration would be required. For example, Ministers would need to understand:

- how the proposed vesting would help achieve earthquake recovery goals, including the objectives in the Minister's direction, the Recovery Strategy and the purposes of the CER Act;
- how such benefits compare to the costs (including opportunity costs) of foregoing an asset;
- how the proposal would fit with existing assets and services; and
- whether there any potential future costs, benefits and/or spending pressures.

² Drawn on the information outlined in *The Treasury, 2014 Investment Statement, Investing Well*

6. SEA LEVEL RISE

- 6.1 If there are areas that will develop unacceptable risk of inundation (as identified by technical experts) as a result of sea level rise, the Crown's initial view is that the draft Recovery Plan should provide for mechanisms to ensure permanent dwellings are not able to be established in those areas.
- 6.2 The New Zealand Coastal Policy Statement (NZCPS) is a national policy statement under the Resource Management Act 1991 (RMA) that states policies in order to achieve the purposes of the RMA in relation to the coastal environment of New Zealand. Policy 3 of the NZCPS refers to taking a precautionary approach towards proposed activities whose effects on the coastal environment are uncertain, unknown, or little understood, but potentially significantly adverse. Policy 7 of the NZCPS refers to strategic planning by identifying in regional policy statements, and plans, coastal processes, resources or values that are under threat or at significant risk from adverse cumulative effects.
- 6.3 The Crown considers risk management to be a prudent and pragmatic approach for incorporating uncertainties associated with future sea-level rise. Using a risk management approach involves broad consideration of the potential impacts or consequences of sea-level rise on a specific decision or issue. Further discussion would be required about ownership and management responsibility for any such land.
- 6.4 Any decision to prevent permanent built uses should not preclude appropriate interim built uses and activities (as indicated but not explored in depth in the Preliminary Draft). Such uses and activities, with appropriate mechanisms to ensure future users are aware of the temporary nature of buildings on these sites. Long-term future use options need to embrace expected long-term shifts, so as to ensure future generations are adequately prepared for future climate conditions.

7. CLARITY ABOUT IMPLEMENTATION AND POTENTIAL AMENDMENTS TO THE DISTRICT PLAN

- 7.1 In line with the Minister's direction, we expect the draft Recovery Plan to signal the practical next steps for the implementation of the preferred options to an appropriate, and realistic, level of detail. The Crown notes that the draft Recovery Plan should identify either:
- a) changes needed to the District Plan and/or other statutory planning instruments as a consequence of the future use preferred options; and/or
 - b) a process and timeline by which such changes will be made.
- 7.2 The Preliminary Draft states in a number of places that the proposed future use may be progressed under a Recovery Plan. Further clarity is required about implementation and the practical steps involved, in particular, whether any proposed zone changes will be made through a Recovery Plan under the CER Act (or through the Greater Christchurch Regeneration Bill once enacted) or through the District Plan review under the RMA.
- 7.3 Further discussion will be required between the Council and the Crown about the implementation of specific future use options, including how land currently in Crown ownership will be owned and managed in the future.

Timing

- 7.4 As noted in bullet point b) above, a significant component of implementing the preferred options is timing. The Minister’s direction requires that the Recovery Plan will “...identify the intended long-term uses...” of the Waimakariri RRZ. However, there is not a clear, consistent understanding in the Preliminary Draft of what the Council defines as long-term. There are various references to dates and timeframes in the Preliminary Draft, including in the Overall Implementation Table at section 5.2 of the Preliminary Draft. We note that the Council’s Long Term Plan is dated 2015-2025, the Land Use Recovery Plan provides direction for land use development until 2028 and that the Council’s Let’s Plan supporting documentation refers to a “20+ year period”³ to implement options. The draft Recovery Plan needs to clarify the Council’s definition of ‘short-term’, ‘medium-term’ and ‘long-term’, and use these terms consistently throughout the document. We suggest it would be helpful to include these definitions in a glossary.
- 7.5 The timeframes related to individual options are also not clear. The draft Recovery Plan should make clear the sorts of timeframes that options have been considered/assessed against – for example has a business or residential option been considered against current market conditions in the short/medium-term or against projected long-term conditions? In addition, the draft Recovery Plan should set out the expected timeframe for the implementation of each option and whether it is anticipated that any areas will change over time.
- 7.6 We anticipate that the longevity of the preferred options in the Recovery Plan will extend beyond a 20 year period and support the conclusion made in the Officer’s Report (pp25-26) that areas may evolve over time. How changes to zoning will be effected in the future, particularly in areas that are evolving, should be considered.

For Example:

- 7.7 The Preliminary Draft states that the sports fields proposed for Area 10 would accommodate potential future population growth and demand for sport and recreation space. In response to comments that the Council’s level of service for sport reserves is met, the Officer’s Report expands on this point and notes that there will be a shortfall in sports reserves from 2025.
- 7.8 Similarly, when describing the preferred option for Area 11 (the cemetery) in the Preliminary Draft, the Council explains that the Kaiapoi cemetery has sufficient capacity for the medium term, but that space will be insufficient in the long-term. The Officer’s Report on this option again provides additional detail and notes that beyond 2044 additional cemetery space is required.
- 7.9 By providing approximate timeframes, the additional detail in the Officer’s Report for these two options provides a stronger indication about the potential implementation of the option. This level of detail also helps to strengthen the explanation and rationale for the preferred options in the Preliminary Draft and is a good starting point for signalling the practical next steps for implementation.

³ <http://www.redzoneplan.nz/lets-plan>

8. CONNECTION WITH NATURAL HAZARDS DISTRICT PLAN CHANGE

8.1 The Crown's initial view is that the draft Recovery Plan will need to explain the proposed change to the District Plan relating to natural hazards more clearly, including how the consideration and implications of natural hazards have influenced the development of the draft Recovery Plan. The timing of these changes would need to be considered.

9. INFRASTRUCTURE

9.1 The draft Recovery Plan should aim to ensure the efficient and financially responsible use of existing infrastructure, including explaining how proposed future uses would support this, for example ownership and management options. We refer to the Officer's Report which notes the draft Recovery Plan should include more detail on the purpose and need for both existing and proposed infrastructure within the RRZ. The Crown also supports the preparation of an overall plan covering key infrastructure services that will need to be maintained in Council-owned RRZ land, as described in the Officer's Report (p32).

9.2 As discussed in section 5, there are limitations on Crown expenditure and the Crown needs to ensure any decision to use public funds are fiscally prudent and affordable. This will need to be a stronger theme and focus for the relevant sections about infrastructure requirements in the draft Recovery Plan, than is currently in the Preliminary Draft.