

**Introduction and context**

- Good morning everyone. The Greater Christchurch Group is here today, for and on behalf of the Crown, to lead and present the Crown's position on the Preliminary Draft Recovery Plan. Thank you for having us here today.
- My name is Sarah Jardine, Manager of the Policy and Monitoring team in the Greater Christchurch Group within the Department of the Prime Minister and Cabinet. Others from the team are here including policy, planning and legal officials.
- First we want to acknowledge the time and effort that's gone into this Recovery Plan process to date. In many ways this is new territory for everybody involved, and a unique opportunity to make a difference for current and future generations. The Waimakariri District Council has demonstrated a genuine commitment to engaging with the community to ensure that their views have been reflected at every stage of this process.
- The Greater Christchurch Group would like to emphasise our commitment to continuing to support the Council to achieve the best outcome – for the communities and residents of the Waimakariri District, of greater Christchurch and for New Zealand as a whole. A key step towards achieving those outcomes will be supporting the Council to provide a robust draft Recovery Plan to the Minister for Canterbury Earthquake Recovery which meets all earthquake recovery objectives.
- I should note the views expressed today do not necessarily represent those of the Minister for Canterbury Earthquake Recovery or any other Minister. It shouldn't be assumed that our comments represent any or all of the matters the Minister may choose to consider when deciding to approve, amend or decline the draft Recovery Plan.
- The Greater Christchurch Group within the Department of the Prime Minister and Cabinet was established on the 1<sup>st</sup> of March and as such we have had limited time in which to assess the 25 specific preferred options in the Preliminary Draft. This means that the comments we are providing today are high-level in nature.
- As noted in our 4<sup>th</sup> of March written comments, the Crown considers that further analysis is required for some of the options set out in the Preliminary Draft, to be sure that sufficient evidence is provided to Ministers to help them make decisions.
- We recognise that it's now over five years since the earthquakes, and that the Council and Waimakariri communities are keen to get certainty about the future of this land as soon as possible. What we want to talk about today is the information and processes required to get that certainty.

- We will continue to work with the Council as new information becomes available and we want to ensure our engagement with the Council is constructive and conducted on a ‘no surprises’ basis.
- The Crown has a range of interconnected interests in the future use of the residential red zones. These include:
  - the Crown’s rights, responsibilities and interests as the owner of most of the land
  - the Crown’s role in supporting earthquake recovery, including the obligations and interests arising under the Canterbury Earthquake Recovery Act and the Recovery Strategy for Greater Christchurch; and
  - the requirements of the Minister’s direction to the Council to prepare a draft Recovery Plan, and in particular the objectives. The Panel will no doubt be familiar with those objectives. In summary, they require that decisions:
    1. promote the well-being of greater Christchurch communities
    2. result in resilient and enduring outcomes
    3. support economic development and growth; and
    4. are affordable and consistent with the government’s commitment to principles of responsible fiscal management
- We have provided the Panel with copies of three documents: our written comments of 4 March 2016, more detailed additional written comments and the talking points I am using today. All three should be read in conjunction with each other.
- We will be speaking to three of the main themes identified in the written comments provided on the 4<sup>th</sup> of March. These are:
  1. the need to better understand how and why each future use option will meet earthquake recovery objectives, including those in the Act, the Recovery Strategy and the Minister’s direction;
  2. the Crown’s responsibilities as an owner of a significant portion of land, including fiscal responsibilities, and the sorts of matters the Crown must consider if a request to vest any of this land is made; and
  3. the need for clarity about implementation, in particular being clear about timeframes
- We have chosen to focus specifically on these three themes today as we consider this will best assist the Council in preparing a robust and comprehensive draft Recovery Plan. The additional written comments we have provided support these points, including some specific examples.

## Recovery Objectives

- As outlined in our 4<sup>th</sup> of March written comments, we want to be clear that the Crown's support for future use options for the Waimakariri residential red zones will be based on robust evidence about how the proposed future uses contribute to earthquake recovery objectives, including those in the Minister's direction.
- We acknowledge that the Preliminary Draft briefly refers to the objectives and goals the Council believes each preferred option will help to achieve.
- We recommend that the draft Recovery Plan should include a thorough explanation of *how* and *why* each option meets the objectives. This should include a cost/benefit analysis of all of the options – not just preferred options – and the consideration of the Recovery Strategy, the Canterbury Earthquake Recovery Act and Minister's direction. The analysis should be supported by community engagement results and relevant evidence. Any uncertainties and risks should be identified alongside opportunities for further analysis. Including this level of detail in the Recovery Plan would also help to explain why an option is preferred over others.
- We suggest this explanation could be attached as an appendix to the draft Recovery Plan. This would allow the draft Recovery Plan to be a concise document, while also providing evidence to reinforce the rationale for supporting preferred options and assisting with implementation, should the Minister approve the Recovery Plan. As noted earlier, we are committed to working with the Council to support them in preparing this more detailed information about each option.
- This level of detail will be critical to providing clear and compelling reasoning for proceeding, or not, with future use options. It will also be particularly important in helping the Crown assess whether it should consider vesting land in the Council, should this be relevant.

## Vesting & Disposal of Crown-owned land

- Which brings us to the second main theme of our comments today: vesting and/or the disposal of Crown-owned land.
- There are limitations on Crown expenditure and the Crown needs to ensure that any decisions on using public funds, including vesting and disposing of Crown-owned land, are fiscally prudent and affordable.
- The decision to dispose of any asset held on behalf of the Crown 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 demands on public spending now and for future generations.

- The Crown must act both in the best interests of New Zealand as a whole and also take into account the earthquake recovery objectives for greater Christchurch.
- If there is a request to vest land in the Council, 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 and benefits of each option
  - how each option fits with existing Crown-owned assets and services
  - the risks and likelihood of each option meeting earthquake recovery objectives
  - what resources are already being applied to meet earthquake recovery objectives; and
  - the profile of future investments including costs, benefits and potential spending pressures.
- The Preliminary Draft proposed that the Crown vest land in the Council for a large number of areas. The Crown is open to discussing with the Council the circumstances for each of these proposals on a case-by-case basis.
- We need to be clear that decisions on disposal of Crown-owned land is not a quick or easy process. Any disposal would need to be approved by the Minister and/or Cabinet. The Cabinet process involves a number of stages and can take several months. Cabinet papers' recommendations must be robust, therefore any proposal to vest land in the Council will need to be supported by a compelling rationale. Cabinet must understand all of the implications associated with vesting any land.
- We appreciate that the current lack of certainty in the meantime will be challenging for the Council, community and other stakeholders. We are working to progress the decision-making process as soon as possible, to ensure that the Council has the relevant information before finalising the draft Recovery Plan for presentation to the Minister.

### **Implementation – clarity about timeframes**

- Which brings us to our third theme – the practical next steps of implementation and clarity about timeframes.
- The Minister's direction requires that the Recovery Plan will "...identify the intended long-term uses..." of the residential red zones. However, there isn't a clear, consistent understanding in the Preliminary Draft of what the Council defines as long-term. There are various references to dates and timeframes.

- We suggest it would be helpful if the draft Recovery Plan is clear about what is meant by 'short-term', 'medium-term' and 'long-term', and perhaps include definitions in a glossary.
- The draft Recovery Plan should make clear the sorts of timeframes that options have been considered and assessed against – for example, whether a business or residential option has been considered against current market conditions in the short to medium-term or against projected long-term conditions.
- Also, 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 evolve and change over time.
- We recognise that at this stage of the process there may not be enough information for the Council to be definitive about implementation of each of the 25 proposed uses. The draft Recovery Plan needs to at least signal the practical next steps and outline preferred options for ownership and management.

### **Summary**

- In closing, we hope that the Panel and the Council will find these points helpful.
- The Greater Christchurch Group would like to reiterate our commitment to working with and supporting the Council to help develop a robust draft Recovery Plan that enables the best earthquake recovery outcomes for greater Christchurch and for New Zealand.