



Cabinet

CAB Min (12) 26/8

Copy No: 18

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act (1982), by persons with the appropriate authority.

Christchurch Central Recovery Plan: Final Decisions by Group of Ministers with Power to Act

Portfolio: Canterbury Earthquake Recovery

On 30 July 2012, Cabinet:

Background

- 1 noted that on 23 July 2012, Cabinet authorised a group of Ministers (comprising the Prime Minister, Minister of Finance, Minister for Canterbury Earthquake Recovery, the Associate Minister of Finance (Hon Steven Joyce) and the Associate Minister for Canterbury Earthquake Recovery) to take final decisions on the two papers relating to the Christchurch Central Recovery Plan that were considered at the meetings of the Cabinet Committee on Canterbury Earthquake Recovery (CER) on 23 July 2012 and the Cabinet Economic Growth and Infrastructure Committee (EGI) on 25 July 2012 [CAB Min (12) 25/26; CER Min (12) 6/1-2; EGI Min (12) 15/10-11];
- 2 noted that the group of Ministers referred to above have made the following decisions, set out in paragraphs 2.1 – 2.73 below;

Paper 1: The Christchurch Central Recovery Plan

Background to the Recovery Plan

- 2.1 noted that the rebuilding of Christchurch is one of the government's key priorities of its growth agenda [EGI Min (12) 3/1];
- 2.2 noted that the Canterbury Earthquake Recovery Act 2011 (CER Act) establishes that recovery does not simply involve the replacement of assets that existed prior to the Canterbury earthquakes, and that recovery must involve the restoration of the social, economic, cultural, and environmental well-being of greater Christchurch communities;
- 2.3 noted that the CER Act recognises the importance of the central city to greater Christchurch by including the requirement that a draft Recovery Plan for the Central Business District (CBD) be developed;
- 2.4 noted that on 2 April 2012, Cabinet:

- 2.4.1 noted that successful international examples of recovery from similar events have all involved a substantial role for central government, as well as a shared vision, early public investment in public space, amenities and infrastructure, and sustained engagement with public and private sector stakeholders;
- 2.4.2 agreed to mandate the Canterbury Earthquake Recovery Authority (CERA) as the delivery entity to lead and facilitate the recovery of Christchurch's CBD as defined in the CER Act;
- [CAB Min (12) 11/20]
- 2.5 noted that on 18 April 2012, the Minister for Canterbury Earthquake Recovery announced:
- 2.5.1 the establishment of a special unit within CERA, the Christchurch Central Development Unit (CCDU), which would provide clear leadership for the rebuilding of the central city, working in a positive partnership with the Christchurch City Council (CCC), Te Runanga o Ngai Tahu, Environment Canterbury and other public and private sector stakeholders;
- 2.5.2 that CCDU would have 100 days to deliver a finalised Recovery Plan for central Christchurch;
- 2.6 noted that on 18 June 2012, Cabinet noted that at the end of the 100 day process, the following will be delivered by CCDU:
- 2.6.1 a visionary, investable Christchurch Central Recovery Plan, incorporating a spatial blueprint for redevelopment that identifies:
- 2.6.1.1 the location, size and scale of the new central core of the city;
- 2.6.1.2 the concept for the location of, and the impact on the surrounding precinct, of the anchor projects;
- 2.6.2 a Resource Management Act framework that enables reconstruction and rebuilding in alignment with the Recovery Plan's vision and blueprint;
- 2.6.3 an investment and marketing strategy to support the implementation of the Christchurch Central Recovery Plan;
- 2.6.4 advice to support preliminary decisions on anchor project funding and delivery;

[CAB Min (12) 21/6]

The Christchurch Central Recovery Plan

- 2.7 noted that the Minister for Canterbury Earthquake Recovery intends to approve the Christchurch Central Recovery Plan on 30 July 2012;
- 2.8 noted that the aim of the Recovery Plan is to re-establish a functioning market and create a recovery that is self-sustaining in the medium-to-long term;

- 2.9 noted that, in order to achieve the aim set out in paragraph 2.8 above, the Recovery Plan must:
- 2.9.1 reflect the aspirations of Christchurch people so as to encourage their participation in the rebuilding of the city;
 - 2.9.2 provide for the replacement of key facilities that would be expected in a city the size of Christchurch;
 - 2.9.3 manage the fundamental challenge of excess land relative to short-to-medium-term demand;
 - 2.9.4 provide spatial coordination of redevelopment;
 - 2.9.5 encourage and enable private sector-led redevelopment and the involvement of the philanthropic sector;
- 2.10 noted that the Recovery Plan provides locations and broad concepts for a number of major "anchor" projects that will replace key facilities and define the urban form of the central city;
- 2.11 noted that approval of the Recovery Plan by the Minister for Canterbury Earthquake Recovery does not commit the government to funding these "anchor" projects;
- 2.12 noted that decisions on government funding for the "anchor" projects are dealt with in Paper 2: Implementation of the Christchurch Central Recovery Plan;
- 2.13 noted that the Minister for Canterbury Earthquake Recovery proposes to make amendments to the Christchurch City District Plan through the Recovery Plan to enable redevelopment in line with the Recovery Plan;

Withheld under section 9(2)(f)(iv)

Next steps

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

1 - mediat

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

Publicity

- 2.18 noted that on 30 July 2012, the Prime Minister and the Minister for Canterbury Earthquake Recovery intend to launch the Christchurch Central Recovery Plan and to specifically highlight:
- 2.19 detail on the first tranche of anchor projects to be implemented (in particular the Papa o Otakaro/Avon River Precinct and the Frame), including the sequencing and phasing of delivery and proposed site purchase;
- 2.20 the broad process envisaged for development of an Earthquake Memorial;
- 2.21 the land strategy and process by which GERA will acquire land for implementation of anchor projects;
- 2.22 marketing targeted at investors which launches the central Christchurch investment opportunity to investors – local, national, and international;

Paper 2: Implementation of the Christchurch Central Recovery Plan

Roles and responsibilities

- 2.23 noted that a successful recovery requires dedicated effort from a number of parties with relevant skills and relationships, and all parties to have a clear shared understanding of what their role is;
- 2.24 noted that the role of CERA will be to lead and be accountable for the:
- 2.24.1 overall implementation of the Christchurch Central Recovery Plan;
 - 2.24.2 acquisition of land for the anchor projects;
 - 2.24.3 scheduling and coordination of construction;
 - 2.24.4 as required, the facilitation of private sector-led development;
- 2.25 noted that CERA will also have an oversight, facilitation and support role in:
- 2.25.1 investment in the Frame;
 - 2.25.2 Papa o Otakaro / Avon River Precinct with CCC, Te Runanga o Ngai Tahu and others;
 - 2.25.3 the delivery of other anchor projects (as needed);
- 2.26 noted that as partners and leaders of certain anchor projects, other government departments and agencies will also have a significant role, in conjunction with CERA, in the recovery of greater Christchurch, including the central city;
- 2.27 noted that the CCC has a significant and long term role in the redevelopment of the central city, including:
- 2.27.1 CCC has the mandate of the residents of Christchurch to represent their views in the rebuild, and provide guidance about the direction and vision for the recovery of the central city;
 - 2.27.2 acting as the City's principal planning authority and being responsible for the administration of the District Plan;
 - 2.27.3 investor and owner of civic facilities and infrastructure that will help shape the rebuilding of central Christchurch;
 - 2.27.4 involvement in "transitional" projects and events that will attract people back to the central city and begin to build the confidence of the development market;
- 2.28 noted that in accordance with the status of Ngai Tahu as a Treaty partner with the Crown and Te Runanga o Ngai Tahu as a strategic partner with CERA under the CER Act, Te Runanga o Ngai Tahu has a significant role to play in the implementation of the Recovery Plan;

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(j)

Implementation of the Recovery Plan

2.30 noted that a phased approach will be taken to the implementation of the Christchurch Central Recovery Plan, starting with purchase of land for all anchor projects to secure spatial options;

2.31 noted that the Chief Executive of CERA (or designate) will, in order to give effect to paragraph 2.29:

2.31.1 seek where possible to enter into good faith negotiations;

2.31.2 undertake the land acquisition for the anchor projects on behalf of the Crown, where under paragraph 2.31 the parties are unable an agreement, but will report to the Minister for Canterbury Earthquake Recovery prior to exercising this power;

2.32 noted that the interests of Te Runanga o Ngai Tahu, in accordance with the Ngai Tahu right of first refusal under the Ngai Tahu Claims Settlement Act 1998, will need to be taken into account during the exercise of powers under the CER Act to dispose of land in the central city;

Overall costs of implementation

Withheld under section 9(2)(f)

Withheld under section 9(2)(j)

Withheld under section 9(2)(k)

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Withheld under section 9(2)(i)

Withheld under section 9(2)(j)

Withheld under section 9(2)(k)

Withheld under section 9(2)(f)(iv)

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Process for further funding decisions

- 2.51 noted that funding, procurement and delivery options for the anchor projects will vary depending on their nature, benefits, cost, underlying economics, priority for delivery, and proposed ultimate ownership structures;

Withheld under section 9(2)(f)(iv)

Infrastructure rebuild

- 2.55 noted that the Stronger Christchurch Infrastructure Rebuild Team, under the governance of CERA, New Zealand Transport Authority and CCC, will continue to lead the infrastructure rebuild programme;

Government office accommodation

- 2.56 noted that:

2.56.1 the need to rebuild government office accommodation provides an opportunity to put into practice the thinking underpinning the *Better Public Service* programme about better coordination and pooling of resources, and organising government services with a focus on the citizen;

2.56.2 in pursuing this opportunity, the government can also support the rebuild and recovery of central Christchurch;

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Withheld under section 9(2)(l)

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

Financial Implications

Withheld under section 9(2)(i)

Withheld under section 9(2)(i)

Withheld under section 9(2)(k)

Withheld under section 9(2)(g)(i)

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Withheld under section 9(2)(i)

Withheld under section 9(2)(j)

Withheld under section 9(2)(k)

Withheld under section 9(2)(f)(iv)

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Secretary of the Cabinet

Reference: CAB (12) 398

Office of the Minister for Canterbury Earthquake Recovery

Chair
Cabinet

CHRISTCHURCH CENTRAL RECOVERY PLAN AND ITS IMPLEMENTATION

Purpose

1. This paper outlines decisions made by the group of Ministers, authorised to make decisions, in relation to the Government's approach to the recovery and redevelopment of central Christchurch.

Background

2. On 23 July 2012 Cabinet authorised [CAB Min (12) 25/26 refers] a group of Ministers (comprising the Prime Minister, Minister of Finance, Minister for Canterbury Earthquake Recovery, the Associate Minister of Finance (Hon Steven Joyce) and the Associate Minister for Canterbury Earthquake Recovery) to take final decisions on the two papers relating to the Christchurch Central Recovery Plan that were considered at the Canterbury Earthquake Recovery Cabinet Committee (CER) on 23 July 2012 and again at the Cabinet Economic Growth and Infrastructure Committee (EGI) on 25 July 2012.
3. The decisions of the group of Ministers enable the Prime Minister and the Minister for Canterbury Earthquake Recovery to make public announcement about the Plan can be made on 30 July 2012.

Paper 1 – The Christchurch Central Recovery Plan

4. Under section 21 of the Canterbury Earthquake Recovery Act 2011 (CER Act), I may approve a Recovery Plan for the Central Business District, having regard to its impact, effect, and funding implications.
5. Paper 1 therefore advises Cabinet of the content of the Recovery Plan, including changes to the District Plan provisions for central Christchurch, and its anticipated effect and impact.
6. On 26 July 2012 the group of Ministers agreed to the recommendations of Paper 1 outlined in CER (12) 16 with one addition:
Withheld under section 9(2)(f)(iv)
7. The attached version of Paper 1 (Attachment 1) and Regulatory Impact Statement (Attachment 2) include minor editorial changes which have been to ensure consistency and clarity between Paper 1 and 2.

Paper 2 – Implementation of the Christchurch Central Recovery Plan

8. Paper 2 sets out the implementation and costs of major projects. It discusses the roles and responsibilities of central and local government, Te Runanga o Ngai Tahu and private sector (including philanthropic) investment. It describes the first phase of implementation in more detail. It seeks Cabinet's agreement to the funding of the initial elements of the Christchurch Central Recovery Plan, including anchor project land acquisition.
9. A revised paper to that submitted to CER on 23 July and EGI on 25 July [CER (12) 15 refers] was submitted for the group of Ministers for decision – this included amendments to the roles table attached to Paper 2 to better reflect proposed roles (Attachment 4). Paper 2 (Attachment 3) as attached to this paper contains further minor editorial changes to ensure consistency and clarity between Paper 1 and 2.

Consultation

10. Consultation undertaken prior to the group Ministers making their decisions is outlined in paper 1 and 2 attached. The CAB 100 attached with CER (12) 15 and CER (12) 16 remains valid. I have since met with the CCC on 26 July 2012 to discuss the implications of the decisions.

Financial implications

11. Financial implications of the Minister's decisions are outlined in Attachment 3.

Legislative implications

12. There are no legislative implications arising from this paper.

Regulatory Impact Analysis

13. A Regulatory Impact Statement has been prepared covering The Christchurch Central Recovery Plan and its implementation. It has been independently reviewed by the Treasury's Regulatory Impact Analysis Team. The Regulatory Impact Statement (RIS) is attached to Paper 1 as Attachment C.
14. The Regulatory Impact Analysis Team from Treasury has reviewed the RIS prepared by CERA and associated supporting material, and considers that the information and analysis summarised in the RIS meets the quality assurance criteria.

Withheld under section 9(2)(g)(i)

15. I have considered the analysis and advice of my officials, as summarised in the attached Regulatory Impact Statement, and I am satisfied that, the regulatory proposals recommended in the papers:

15.1. are required in the interests of the recovery of greater Christchurch;

15.2. will deliver the highest net benefits of the practical options available; and

- 15.3. are consistent with our commitments in the Government statement "Better Regulation, Less Regulation".

Gender, Disability and Human Rights Implications

16. There are no gender or human rights implications associated with the proposals in this paper.
17. There is a significant opportunity to cost-effectively enhance the accessibility of the built environment for all people, including people with disabilities, through the Christchurch Central Recovery Plan and its implementation. These are discussed in more detail in Attachment 1.

Recommendations

18. I recommend that Cabinet:
1. **note** that on 23 July 2012 Cabinet authorised [CAB Min (12) 25/26 refers] a group of Ministers (comprising the Prime Minister, Minister of Finance, Minister for Canterbury Earthquake Recovery, the Associate Minister of Finance (Hon Steven Joyce) and the Associate Minister for Canterbury Earthquake Recovery) to take final decisions on the two papers relating to the Christchurch Central Recovery Plan that were considered at the Canterbury Earthquake Recovery Cabinet Committee (CER) on 23 July 2012 and Cabinet Economic Growth and Infrastructure Committee (EGI) on 25 July 2012;
 2. **note** that the group of Ministers made the following decisions set out in paragraphs 3 – 71 below:

Paper 1: The Christchurch Central Recovery Plan

BACKGROUND TO THE RECOVERY PLAN

3. **noted** that the rebuilding of Christchurch is one of the government's key priorities of its growth agenda [EGI Min (12) 3/1 refers];
4. **noted** the Canterbury Earthquake Recovery Act 2011 (CER Act) establishes that recovery does not simply involve the replacement of assets that existed prior to the Canterbury earthquakes, and that recovery must involve the restoration of the social, economic, cultural, and environmental well-being of greater Christchurch communities;
5. **noted** that the CER Act recognises the importance of the central city to greater Christchurch by including the requirement that a draft Recovery Plan for the CBD be developed;
6. **noted** that on 2 April 2012 Cabinet:
 - 6.1. **noted** that successful international examples of recovery from similar events have all involved a substantial role for central government, as well as a shared vision, early public investment in public space, amenities and infrastructure, and sustained engagement with public and private sector stakeholders; and

- 6.2. agreed to mandate the Canterbury Earthquake Recovery Authority (CERA) as the delivery entity to lead and facilitate the recovery of Christchurch's CBD as defined in the Canterbury Earthquake Recovery Act [CAB Min (12) 11/20 refers];
7. noted that on 18 April 2012, the Minister for Canterbury Earthquake Recovery announced:
 - 7.1. the establishment of a special unit within CERA, the Christchurch Central Development Unit (CCDU), would provide clear leadership for the rebuilding of the central city, working in a positive partnership with the Christchurch City Council (CCC), Te Runanga o Ngai Tahu, Environment Canterbury and other public and private sector stakeholders; and
 - 7.2. that CCDU would have 100 days to deliver a finalised Recovery Plan for central Christchurch;
8. noted that on 18 June 2012 Cabinet noted that at the end of the 100 day process the following will be delivered by CCDU [CAB Min (12) 21/6 refers]:
 - 8.1. a visionary, investable Christchurch Central Recovery Plan, incorporating a spatial blueprint for redevelopment that identifies:
 - 8.1.1. the location, size and scale of the new central core of the city; and
 - 8.1.2. the concept for the location of, and the impact on the surrounding precinct, of the anchor projects;
 - 8.2. a Resource Management Act framework that enables reconstruction and rebuilding in alignment with the Recovery Plan's vision and blueprint;
 - 8.3. an investment and marketing strategy to support the implementation of the Christchurch Central Recovery Plan; and
 - 8.4. advice to support preliminary decisions on anchor project funding and delivery.

THE CHRISTCHURCH CENTRAL RECOVERY PLAN

9. noted that the Minister for Canterbury Earthquake Recovery intends to approve the Christchurch Central Recovery Plan on 30 July 2012;
10. noted that the aim of the Recovery Plan is to re-establish a functioning market and create a recovery that is self-sustaining in the medium-to-long term;
11. noted that in order to achieve the aim set out in paragraph 10, the Recovery Plan must:
 - 11.1. reflect the aspirations of Christchurch people so as to encourage their participation in the rebuilt city;
 - 11.2. provide for the replacement of key facilities that would be expected in a city the size of Christchurch;

- 11.3. manage the fundamental challenge of excess land relative to short-to-medium-term demand;
- 11.4. provide spatial coordination of redevelopment; and
- 11.5. encourage and enable private-sector-led redevelopment and the involvement of the philanthropic sector;
- 12. noted that the Recovery Plan provides locations and broad concepts for a number of major "anchor" projects that will replace key facilities and define the urban form of the central city;
- 13. noted that approval of the Recovery Plan by the Minister for Canterbury Earthquake Recovery does not commit the government to funding these "anchor" projects;
- 14. noted that decisions on government funding for the "anchor" projects are dealt with in Paper 2 – Implementation of the Christchurch Central Recovery Plan;
- 15. noted that the Minister for Canterbury Earthquake Recovery proposes to make amendments to the Christchurch City District Plan through the Recovery Plan to enable redevelopment in line with the Recovery Plan;

16.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

NEXT STEPS

17.

Withheld under section 9(2)(f)(iv)

17.2.

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(f)(iv)

18.

Withheld under section 9(2)(g)(i)

19.

PUBLICITY

20. noted that on 30 July 2012 the Prime Minister and the Minister for Canterbury Earthquake Recovery intend to launch the Christchurch Central Recovery Plan and specifically highlight:

20.1. detail on the first tranche of "anchor" projects to be implemented (in particular the Papa o Otakaro/Avon River Precinct and the Frame), including the sequencing and phasing of delivery and proposed site purchase;

20.2. the broad process envisaged for development of an Earthquake Memorial;

20.3. the land strategy and process by which CERA will acquire land for implementation of anchor projects; and

20.4. marketing targeted at investors which launches the central Christchurch investment opportunity to investors – local, national and international.

Paper 2: Implementation of the Christchurch Central Recovery Plan

ROLES AND RESPONSIBILITIES

21. noted that a successful recovery requires dedicated effort from a number of parties with relevant skills and relationships, and all parties to have a clear shared understanding of what their role is;

22. noted that the role of the CERA will be to lead and be accountable for the:

22.1. overall implementation of the Christchurch Central Recovery Plan;

- 22.2. acquisition of land for the anchor projects;
 - 22.3. scheduling and coordination of construction; and
 - 22.4. as required, the facilitation of private sector-led development;
23. noted that CERA will also have an oversight, facilitation and support role in:
- 23.1. investment in the Frame;
 - 23.2. Papa o Otakaro / Avon River Precinct with CCC, Te Runanga o Ngai Tahu and others; and
 - 23.3. the delivery of other anchor projects (as needed);
24. noted that as partners and leaders of certain anchor projects, other government departments and agencies will also have a significant role, in conjunction with CERA in the recovery of greater Christchurch, including the central city;
25. noted that the CCC has a significant and long term role in the redevelopment of the central city including:
- 25.1. CCC has the mandate of the residents of Christchurch to represent their views in the rebuild, and provide guidance about the direction and vision for the recovery of the central city.
 - 25.2. acting as the City's principal planning authority and is responsible for the administration of the District Plan;
 - 25.3. investor and owner of civic facilities and infrastructure that will help shape the rebuilding of central Christchurch; and
 - 25.4. involvement in "transitional" projects and events that will attract people back to the central city and begin to build the confidence of the development market;
26. noted that in accordance with the status of Ngai Tahu as a Treaty partner with the Crown and Te Runanga o Ngai Tahu as a strategic partner with CERA under the CER Act, Te Runanga o Ngai Tahu has a significant role to play in the implementation of the Recovery Plan;
27. noted that an overview of the roles and responsibilities of key agencies and sectors in the implementation of the Christchurch Central Recovery Plan are attached as Attachment A to the Cabinet Paper 2;

IMPLEMENTATION OF THE RECOVERY PLAN

28. noted that a phased approach will be taken to the implementation of the Christchurch Central Recovery Plan starting with purchase of land for all anchor projects to secure spatial options;
29. noted that the Chief Executive of the Canterbury Earthquake Recovery Authority (or designate) will, in order to give effect to paragraph 27:
- 29.1. seek where possible to enter into good faith negotiations;
 - 29.2. will undertake the land acquisition for the anchor projects on behalf of the Crown, where under paragraph 29.1 the parties are unable an

agreement, but will report to the Minister for Canterbury Earthquake Recovery prior to exercising this power.

30. noted that the interests of Te Runanga o Ngai Tahu, in accordance with the Ngai Tahu right of first refusal under the Ngai Tahu Claims Settlement Act 1998, will need to be taken into account during the exercise of powers under the Canterbury Earthquake Recovery Act to dispose of land in the central city.

31.

32.

33.

34.

Withheld under section 9(2)(i)

Withheld under section 9(2)(k)

35.

Withheld under section 9(2)(i)

36.

37.

38.

39.

to the Minister for Canterbury Earthquake Recovery prior to exercising this power;

40. noted that the purchase of the land will create an on-going commitment to management of the properties prior to their development as anchor projects;

41. Withheld under section 9(2)(i) Withheld under section 9(2)(i)

Development of the Urban Frame and Papa o Otakaro / Avon River Precinct

42. noted that the acquisition of the land commits central government to the development of the Frame and to contribute to the development of the Papa o Otakaro / Avon River Precinct;

43.

44. Withheld under section 9(2)(i)

45. Withheld under section 9(2)(i)

46.

Withheld under section 9(2)(k)

47. Withheld under section 9(2)(f)(iv)

48.

Process for further funding decisions

49. noted that funding, procurement and delivery options for the anchor projects will vary depending on their nature, benefits, cost, underlying economics, priority for delivery, and proposed ultimate ownership structures;

50.

51. Withheld under section 9(2)(f)(iv)

52.

Released by the Minister for Canterbury Earthquake Recovery

Infrastructure rebuild

53. noted that the Stronger Christchurch Infrastructure Rebuild Team under the governance of CERA, New Zealand Transport Authority and CCC will continue to lead the infrastructure rebuild programme;

Government office accommodation

54.

55.

56.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

57.

Withheld under section 9(2)(i)

58.

59.

60.

61.

Released by the Minister for Canterbury Earthquake Recovery

62.

Withheld under section 9(2)(k)

63.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(i)

Released by the Minister for Canterbury Earthquake Recovery

64.

Withheld under section 9(2)(l)

Withheld under section 9(2)(l)

Withheld under section 9(2)(f)(iv)

65.

Withheld under section 9(2)(k)

66.

Released by the Minister for Canterbury Earthquake Recovery

NEXT STEPS

68.

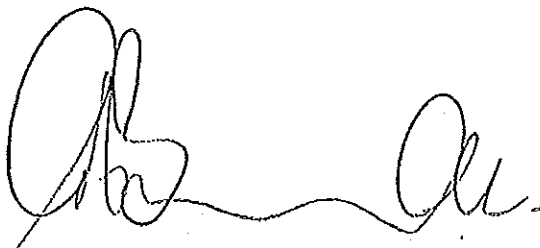
Withheld under section 9(2)(f)(iv)

69.

70.

71.

Withheld under section 9(2)(f)(iv)



Hon Gerry Brownlee
Minister for Canterbury Earthquake Recovery

27/07/2012

Attachments:

Paper 1: The Christchurch Central Recovery Plan (paper 1 of 2)

Paper 2: Implementation of the Christchurch Central Recovery Plan (paper 2 of 2)

Released by the Minister for Canterbury Earthquake Recovery

Office of the Minister for Canterbury Earthquake Recovery

Joint Ministers group authorised by Cabinet on 23 July 2012 to make decisions

THE CHRISTCHURCH CENTRAL RECOVERY PLAN (PAPER 1 OF 2)

Purpose

1. This paper is the first of two papers on the Christchurch Central Recovery Plan. Under section 21 of the Canterbury Earthquake Recovery Act 2011 (CER Act), I may approve a Recovery Plan for the Central Business District, having regard to its impact, effect, and funding implications. This paper therefore advises Cabinet of the content of the Recovery Plan, including changes to the District Plan provisions for central Christchurch, and its anticipated effect and impact.
2. The second of the two papers seeks Cabinet's approval for my proposed approach to implementation of the Recovery Plan, including initial investments by the government that are intended to build confidence and kick-start private sector redevelopment.

Executive Summary

3. On 2 April 2012, Cabinet mandated CERA to lead and facilitate the recovery of Christchurch's Central Business District (CBD) as defined in the Canterbury Earthquake Recovery Act 2011 (CER Act). On 18 April 2012, I announced the establishment of a special unit within CERA, the Christchurch Central Development Unit (CCDU). I also announced that a finalised Recovery Plan for central Christchurch, including a spatial blueprint for redevelopment, would be prepared within 100 days of CCDU's establishment.
4. Rebuilding Christchurch is one of the key priorities of the government's growth agenda [EGI Min (12) 3/1 papers]. The significant redevelopment required as a result of the earthquakes offers an opportunity to increase central Christchurch's economic, social and cultural value to greater Christchurch, Canterbury and the rest of New Zealand.¹ Substantial positive action is needed on the redevelopment of the central city within the next two years in order to establish confidence and momentum.
5. The redevelopment of the central city will ultimately be led by the private sector. International experience shows, however, that kick-starting private sector investment and re-establishing a functioning market after a major disaster requires clear leadership, a shared vision, and substantial public sector investment in the early phases of recovery in public space, amenities and infrastructure.
6. The Christchurch Central Recovery Plan provides a framework to guide redevelopment of the central city. I believe that it will give the people of greater Christchurch confidence in the future of their central city, and also allow investors to identify a range of opportunities to get involved in the rebuilding.

¹ "Greater Christchurch" is defined in the CER Act as the districts of the Christchurch City Council, the Selwyn District Council, and the Waimakariri District Council, plus the adjacent coastal marine areas.

COMMERCIAL: IN CONFIDENCE

7. The Recovery Plan is based on the five key changes identified in the draft Recovery Plan developed by Christchurch City Council (CCC): a greener central city, with a stronger built identity and a more compact CBD, that supports a wider range of activities and is easy to get around using all modes of transport. The Plan defines the spatial form of the central city, and provides locations for key facilities that will optimise their contribution to recovery.
8. The Recovery Plan also directs changes to the Christchurch City District Plan to enable redevelopment in line with the Recovery Plan.
Withheld under section 9(2)(g)(i)
9. My approval of the Recovery Plan does not commit the government to funding all the major projects identified in it. But in order to generate confidence and momentum, the launch of the Recovery Plan will need to be accompanied by some tangible commitments to its implementation on the part of the government, CEC and, ideally, other stakeholders.
Withheld under section 9(2)(g)(i)
10. The Prime Minister and I will launch the Recovery Plan on 30 July 2012. I propose that the announcements highlight:
 - 10.1. detail on the first tranche of anchor projects to be implemented (in particular the Papa o Otakaro/Avon River Precinct and the Frame), including the sequencing and phasing of delivery and proposed site purchase;
 - 10.2. the broad process envisaged for development of an Earthquake Memorial;
 - 10.3. the land strategy and process by which CERA will acquire land for implementation of anchor projects;
 - 10.4. marketing targeted at investors which launches the central Christchurch investment opportunity to investors—local, national, and international.

Background

Legal framework for Canterbury earthquake recovery

11. On 25 March 2011, Cabinet agreed to the establishment of CERA to coordinate action, advice and decision making on earthquake recovery across government departments and through the Minister for Canterbury Earthquake Recovery [CAB Min (11) 13/9 refers]. Cabinet also agreed to confer an extensive set of powers on the Chief Executive of CERA or the Minister for Canterbury Earthquake Recovery [CAB Min (11) 13/10 refers].

COMMERCIAL: IN CONFIDENCE

12.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

13. Rebuilding Christchurch is one of the key priorities of the government's growth agenda [EGI Min (12) 3/1 refers]. This reflects Christchurch's importance to Canterbury, and to New Zealand:

13.1. Geologically, New Zealand is an inherently risky country. Network diversity is therefore necessary for systemic resilience. A strong Christchurch city is required to avoid the significant social and economic disruption that would be caused by a major event in Auckland or Wellington.

13.2. The unique nature of New Zealand's geography means that Christchurch is also the major service centre for the South Island, attracting head offices or major hubs for private and public sector service providers across most industry sectors. The city is also home to the South Island's only tertiary level hospital, two universities and seven of New Zealand's Crown Research Institutes.

13.3. Christchurch is a key strategic node in the South Island's transport networks, with a 24-hour airport, and the South Island's busiest port, processing \$5 billion of exports per year. The city therefore has a key role in providing the productive and service sectors with access to markets, as well as acting as the tourism gateway to the South Island.

14. As noted by Cabinet on 2 April 2012 [CAB Min (12) 11/1 refers], successful international examples of recovery from similar events have all involved a substantial leadership role for central government, as well as a clear shared vision, early public investment in public space, amenities and infrastructure, and sustained engagement with public and private sector stakeholders.

15. The CER Act establishes that recovery does not simply involve the replacement of assets that existed prior to the Canterbury earthquakes, but includes enhancement (s.4), and that recovery must involve the "[restoration] of the social, economic, cultural, and environmental well-being of greater Christchurch communities" (s.3(g)).

16. The Recovery Strategy (notified on 31 May 2012) is the overarching long-term strategy for the reconstruction, rebuilding and recovery of greater Christchurch. Any Recovery Plan developed under the CER Act must be consistent with the Recovery Strategy.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

COMMERCIAL: IN CONFIDENCE

17. The Strategy reflects the approach taken to recovery in the CER Act, by establishing that the goals of the recovery are to:
 - 17.1. revitalise greater Christchurch as the heart of a prosperous region for business, work, education, and increased investment in new activities;
 - 17.2. strengthen community resilience, safety and wellbeing, and enhance quality of life for residents and visitors;
 - 17.3. renew greater Christchurch's unique identity and its vitality expressed through sport, recreation, art, history, heritage and traditions;
 - 17.4. develop resilient, cost effective, accessible and integrated infrastructure, buildings, housing and transport networks; and
 - 17.5. restore the natural environment to support biodiversity and economic prosperity and to reconnect people to the rivers, wetlands and Port Hills.
18. The Strategy also emphasises the importance of leadership and coordination, through its goal that CERA, the public and private sector, and communities coordinate with each other to contribute to the recovery and future growth of greater Christchurch.

The need for a Recovery Plan for central Christchurch

19. The CER Act recognises the importance of the central city to greater Christchurch by including the requirement that a Recovery Plan for the CBD be developed (s.17(1)). This is the only Recovery Plan that is specifically required under the CER Act.
20. I consider that the Recovery Plan for central Christchurch must aim to re-establish a functioning market and create a recovery that is self-sustaining in the medium-to-long term. In order to achieve this aim, the Recovery Plan must:
 - 20.1. reflect the aspirations of greater Christchurch people so as to encourage their participation in the rebuilt city;
 - 20.2. provide for the replacement of key facilities that would be expected in a city the size of Christchurch, a number of new facilities are needed to replace those damaged in the earthquakes as a city serving almost 560,000 people, with no other city of more 100,000 people within 300 km, Christchurch needs to offer the facilities, services, and amenities that would be expected in any equivalent city world-wide if it is to retain and attract skilled people;
 - 20.3. manage the fundamental challenge of excess land relative to short-to-medium-term demand;
 - 20.4. provide spatial coordination of redevelopment; and
 - 20.5. encourage and enable private-sector-led redevelopment and the involvement of the philanthropic sector.

21. As noted by Cabinet on 2 April [CAB Min (12) 11/1 refers], the redevelopment of the central city is unlikely to occur without substantial central government involvement. There are two main reasons for this.
- 21.1. The level of destruction in the central city and the forced abandonment of much of the core commercial area since February 2011 have meant that the usual market signals about demand for various types and levels of activity in the CBD are absent. There is also limited information about the future spatial layout of the city. As a result, it is difficult for potential developers, investors or tenants to identify and crystallise opportunities. This, combined with uncertainty about seismic risk, insurance issues and first mover issues, mean that without significant government intervention, recovery is likely to be slow. What redevelopment does occur is likely to be ad-hoc and to result in a spatially uncoordinated, less economically productive central city, creating increased risk to investors.
- 21.2. The civic facilities that have been lost are unlikely to be provided by the market. Under normal circumstances, these facilities would be developed over a period of decades and they would largely be funded by local government. The recovery requires, however, that they be replaced in a relatively short time frame, which would put enormous pressures on the resources of CCC at a time when both the Council and its residents are facing many other earthquake-related costs.

Christchurch City Council's draft Recovery Plan

22. A draft Recovery Plan for the Central Business District, the *Central City Plan*, was prepared by the CCC and delivered to me in December 2011. The CCC's draft Recovery Plan was developed following extensive consultation with Christchurch residents, and expressed their desire not merely to restore the central city, but to enhance it so that it becomes a vibrant and distinctive place to live, work and play. From the array of ideas shared by the community, CCC identified five key changes that would inform the Recovery Plan. These were:
- 22.1. Green city: a greener, more attractive city;
- 22.2. Stronger built identity: a lower rise city with safe, sustainable buildings;
- 22.3. Compact CBD: a more compact CBD with a well-designed streetscape;
- 22.4. Live work, play, learn and visit: a central city that supports a wider range of activities; and
- 22.6. Accessible city: a city that is easy to get around, supported by walking, cycling, public transport and short-term parking.
23. I consider that these themes provide a good basis on which to build. Having considered the draft Recovery Plan, however, taking into account its impact, effect and funding implications, I came to the view that it could not be approved without amendment. In particular, there was insufficient information in the draft on how the Recovery Plan would be implemented, and it proposed changes to the District Plan that were unnecessarily onerous and complex.

Development of final Christchurch Central Recovery Plan

- 24. On 2 April 2012 Cabinet mandated CERA to lead and facilitate the recovery of Christchurch's CBD as defined in the Canterbury Earthquake Recovery Act [CAB Min (12) 11/20 refers]. On 18 April, I announced the establishment of a special unit within CERA, the Christchurch Central Development Unit (CCDU) that would provide clear leadership for the rebuilding of the central city, working in a positive partnership with CCC, Te Runanga o Ngai Tahu, Environment Canterbury and other public and private sector stakeholders.
- 25. I also announced that, within 100 days of CCDU's establishment, a final Recovery Plan for Christchurch Central, based on the draft Central City Plan developed by the CCC but including a spatial blueprint for redevelopment, would be prepared.
- 26. On 18 June 2012 Cabinet noted that at the end of the 100 day process the following will be delivered by CCDU [CAB Min (12) 21/6 refers]:
 - 26.1. a visionary, investable Christchurch Central Recovery Plan, incorporating a spatial blueprint for redevelopment that identifies:
 - 26.1.1. the location, size and scale of the new central core of the city; and
 - 26.1.2. the concept for, the location of, and the impact on the surrounding precinct, of the anchor projects;
 - 26.2. a Resource Management Act 1991 (RMA) framework that enables reconstruction and rebuilding in alignment with the Christchurch Central Recovery Plan's vision and blueprint (i.e. changes to CCC's District Plan);
 - 26.3. an investment and marketing strategy to support the implementation of the Christchurch Central Recovery Plan; and
 - 26.4. advice to support preliminary decisions on anchor project funding and delivery.

The Christchurch Central Recovery Plan

- 27. The Christchurch Central Recovery Plan provides the framework to guide the redevelopment of the central city. It includes a spatial plan (the "blueprint") and statutory direction to amend the District Plan. It is intended to act as a plan that substantially increases the participation by residents, businesses and other tenants, investors, and developers in the rebuild and revitalisation of the city centre over the next five years, and so create a self-sustaining recovery.
- 28. The Recovery Plan is the foundation for the following broad approach to recovery:

Action	Comment
1. Create an entity to provide the leadership needed.	Achieved. Cabinet mandated CERA to lead the recovery of the central city in April 2012.
2. Establish a spatial plan, including key "anchor" projects, for the central city to coordinate redevelopment and provide clarity and certainty.	Redevelopment "blueprint" and anchor projects included in the Recovery Plan and outlined in this paper.

COMMERCIAL: IN CONFIDENCE

Action	Comment
3. Establish clear and enabling District Plan provisions.	Included in the Recovery Plan and discussed in this paper.
4. Agree implementation roles and responsibilities amongst stakeholder organisations.	Discussed further in Paper 2.
5. Establish delivery schedule for "anchor" projects.	Included in the Recovery Plan and discussed in Paper 2.
6. Secure land for anchor projects.	Designation to be part of 100 day announcements, to be followed by purchase. Discussed in Paper 2.
7. Launch investment strategy.	To coincide with 100 day announcements. Investment attraction is an on-going role for CERA.
8. Get priority projects underway, to build confidence and create critical mass of workers, consumers, and visitors.	Initial priorities are identified in Paper 2, along with financial implications. Further decisions regarding government commitments to funding will be subject to appropriate business case processes.

Withheld under section 2(1)(iv)

Status of major projects identified in the Recovery Plan

29. The Recovery Plan includes a number of facilities and assets that are likely to require substantial local and central government investment, in addition to investment from Te Runanga o Ngai Tahu, and the private sector as appropriate.
30. The Recovery Plan provides locations and describes the broad concepts for these major projects. This paper briefly describes the projects and their contribution to recovery, while Paper 2 details their estimated cost. As discussed further in Paper 2, however, there are a number of issues that local and central government must consider before making a final commitment to invest or part-invest in these projects. Paper 2 therefore proposes that at this stage Cabinet should approve funding for central government's initial contribution to those elements of the Recovery Plan that will build confidence in the recovery early on, and secure options to enable delivery of the later projects identified in the Recovery Plan. Further investment decisions will be subject to appropriate business case processes, including confirmation of the specifications of the facilities.

Commemoration: the Earthquake Memorial

31. The Earthquake Memorial will honour those who lost their lives or were injured in the earthquakes, providing a place to pay respect, to commemorate all those who were

COMMERCIAL: IN CONFIDENCE

affected by the earthquakes, and to acknowledge the part played by volunteers, NGOs, local and central government employees, private sector personnel and the uniformed services.

32. The process for deciding on the site and concept for the Memorial should begin early, not be rushed, and involve the community. The Memorial project will involve an design process run by the Ministry for Culture and Heritage in partnership with CCC, CERA and Te Runanga o Ngai Tahu. The process will require designer involvement in any proposal and will include the families of the deceased and will involve community engagement.

Defining the urban form of central Christchurch

The Frame

33. The Frame is the single most significant change proposed from the draft CCC Recovery Plan. It defines the northern, eastern and southern boundaries of the new central city core (see below), and is in three sections:
 - 33.1. **East Frame.** The largest physical component of the Frame, the eastern section provides an outdoor facility for large events in the east, close to the central city, along with residential and commercial development opportunities adjacent to public greenspace. Its economic value to the east comes from the amenity it provides – changes in land value on either side of it would make this area desirable for denser development that facilitates agglomeration. Over time, part of the frame could be released for development should demand pressures require additional land.
 - 33.2. **South Frame.** The southern part of the Frame separates the new central core – with its focus on cultural and dense business and retail activities – from the existing mixed use zone further south. This area provides flexibility for long term development. It will develop over time as a campus-style area, with low site coverage and an open space corridor with pedestrian and cycle route(s) running through it.
 - 33.3. **North Frame.** The north frame links to the Papa o Otakaro/Avon River Precinct and Victoria/Market Square. Some residential/commercial development is provided for.
34. The key benefits of the Frame are:
 - 34.1. The ability to concentrate redevelopment within the central core without using regulatory tools such as zoning. Using regulation to achieve this would destroy value for landowners in areas outside the core, and worsen urban decline.
 - 34.2. A substantial increase in the amount of high-quality green space in areas of the central city that were previously lacking this. This increase in amenity would help to attract a range of different types of development, and therefore to diversify investment/development opportunities.
 - 34.3. A general increase in value across the central city area.
 - 34.4. The option of allowing the Core to expand in the future, if there is demand, and if that is desired by the people of greater Christchurch.

Improved public open spaces and cultural, sporting and other civic facilities

35. The impact of the Frame in attracting both businesses and residents is enhanced by other projects that improve public open spaces and provide a range of cultural, sporting and other civic facilities.

Papa o Otakaro / Avon River Precinct and the Square

36. Papa o Otakaro/Avon River Precinct provides high-quality public and green space along the river (including Victoria Square/former Market Square), and will contain Te Puna Ahurea (see below). With a notional width of 30m from river bank to building frontages, it is people and cyclist-focused along the river edge, and will provide an appealing location for adjacent visitor accommodation and office space, along with food and beverage outlets centred on Oxford Terrace. This project is consistent with sound geotechnical and risk management practices by removing unstable land around the river from building use.
37. The Square will be redeveloped as the central city's high quality main civic space. It will be actively used day and night, be greener than it was before the earthquakes, and comfortable in a range of climatic conditions, with retail and accommodation-focused commercial uses on the perimeter to complement the Convention Centre (see below). Slow vehicle movements are retained within the Square, enabled by peripheral street improvements.

Te Puna Ahurea / Ngai Tahu / Pacific Rim Cultural Centre

38. Te Puna Ahurea is a cultural centre that will reflect and celebrate Ngai Tahu and Maori culture, and acknowledge Christchurch's place in and connections with the Pacific. Te Runanga o Ngai Tahu will explore the proposal to develop Te Puna Ahurea further with the CCC, CEPA and other potential stakeholders. Te Puna Ahurea will sit within Papa o Otakaro/Avon River Precinct, and will complement the Convention Centre, Library, Performing Arts centre and Arts Precinct, , and the North Frame.

Convention Centre Precinct

39. The Convention Centre Precinct offers flexible convention facilities for up to 2,000 people, and thus complements other convention centres in Auckland and Queenstown and allows Christchurch to participate in the emerging Asia Pacific convention market. It is not just a traditional convention centre but a civic facility that provides a range of indoor and outdoor public spaces. It will connect Papa o Otakaro/Avon River Precinct to the Square and increases activity at the ground floor level in surrounding areas. The early development of this Precinct will provide opportunities for complementary hotel, retail, and food and beverage development located close to the river, and thus for the early completion and reopening of this part of the central city.

Library

40. With the placement of the Convention Centre, a new central library will be required. This will be located to further leverage the civic/community aspects of Cathedral Square and new major investments in the surrounding area, and to provide a catalyst to the development of retail, food and beverage services.

Arts and Cultural Precincts

41. The Blueprint Plan includes locations for three key precincts:
 - 41.1. the Cultural Precinct, comprising the Arts Centre, Canterbury Museum and Christchurch Art Gallery;
 - 41.2. a new Performing Arts Precinct with four possible components-- Performing Arts Centre, the Court Theatre, the Music Centre of Christchurch, and office and rehearsal space for the Christchurch Symphony Orchestra, and
 - 41.3. a location in the south-east of the central city for transitional contemporary arts projects including ArtBox, BeatBox, and Arts Circus.
42. The Recovery Plan identifies the Performing Arts Precinct as an anchor project.

Metro Sports Facility

43. This aquatic and indoor sports facility provides for the recreation needs of residents, offers high-performance training facilities, and is able to host national and international high-performance sporting events. The Metro Sports Facility is located close to the Core, just outside the South Frame where it would complement activities envisaged for the Health Precinct (see below), and is on major transport routes.

Stadium

44. This is a multi-purpose large scale spectator events venue with capacity for international fixtures and concerts. The Blueprint consortium's report recommends a covered stadium with seating for up to 35,000 people. This will be investigated further in the development of an appropriate business case. The Stadium has minimal on-site parking, but is located approximately one city block from the new Bus Interchange.

Hagley Oval

45. The existing cricket oval on Hagley Park will be enhanced, providing central Christchurch with a venue capable of hosting domestic cricket matches and international tests.

Creating more productive environments for businesses

46. The Recovery Plan creates a variety of attractive, productive environments that cater for a wide variety of activities and allow the clustering of complementary businesses and activities. These include the new consolidated central city area (the Core), the campus-style South Frame and the Health Precinct that would sit at its western end, and the mixed-use zone between the South Frame and Moorhouse Avenue.

The Core

47. The Plan provides for a more consolidated central business area or "core". Within this area a range of activities, including cultural, entertainment, community/civic, commercial, office, retail, travellers' accommodation, residential and related activities, are provided for.
48. The creation of the Core recognises the significance of agglomeration benefits in increasing the productivity of cities. These benefits include:
- 48.1. market and network efficiencies resulting from bringing significant numbers of businesses back to the central city quickly;
 - 48.2. employment density; and
 - 48.3. connections and interactions between people and organisations.
49. As discussed in more detail in Paper 2, locating government sector workers within the Core will provide developers of office space with some guaranteed demand, and stimulate demand for ancillary services (e.g. specialist financial and advisory services) as well as more general demand for retail and other services.
50. One specialist government sector accommodation precinct is planned:

Justice and Emergency Services Precinct

- 50.1. This precinct would provide justice, civil defence and emergency services accommodation for up to 1300 people. It has been located in the southwest of the Core, to provide access to public transport and to arterial roads for ease of emergency services movement, as well as to support the redevelopment of the retail precinct immediately to its north. The Ministry of Justice presented a paper to the Cabinet Committee on Canterbury Earthquake Recovery on Monday 16 July relating to the justice sector component of this precinct.

Withheld under section 9(2)(f)(iv)

The South Frame

51. The South Frame would evolve over time as a campus-style development, with a lengthwise (east-west) open space corridor for walking and cycling. It is well-suited to education, health, commercial and innovation activity centres, linking the hospital and health precinct in the west with CPIT in the east.

Innovation Precinct

52. The Ministry of Business, Innovation and Employment will present a preliminary review by the end of August to the Minister of Science and Innovation on the creation of an innovation precinct within the South Frame or elsewhere in the city centre.

The Health Precinct

53. This area, at the western end of the South Frame and near to the Metro Sports Facility, would provide for a staged expansion of the tertiary hospital site, and would accommodate a health education, research and innovation hub. The Ministry of

COMMERCIAL: IN CONFIDENCE

Health is aiming to present a paper to Cabinet in August 2012 with the indicative business case for the restoration and extension of the tertiary hospital.

Mixed-Use Zone

54. The area between the South Frame and Moorhouse Avenue is a mixed use zone, as is an area north of the Avon River between Kilmore and Salisbury Streets. These areas would be suitable for commercial services, education and health facilities, residential uses, and travellers' accommodation. Large scale office and most retail development (other than an area of large format retail) would be discouraged.
55. These areas provide locations for activities that cannot or do not wish to locate in the core, and may also provide a temporary location for office activities moving back to the central city (see below).

56. Withheld under section 9(2)(f)(iv)
Withheld under section 9(2)(i)
Withheld under section 9(2)(g)(i)

Residential Redevelopment

57. The Recovery Plan provides opportunities for residential development throughout the central city, recognising the need to increase the number of people living within the Avenues in order to sustain other activities. This is consistent with the provisions in Chapter 12A of the Regional Policy Statement.
58. The Recovery Plan does not substantially change existing living zone provisions, which enable a diversity of residential development across most of the central city. Historically, however, intensified residential development has been most successful on the north-west of the central city due to the high amenity provided by Hagley Park, the Avon River, and proximity to facilities such as the Arts Centre. The Frame and other projects to enhance open spaces will improve amenity to the north and east of the core, making the adjacent areas more attractive for residential development.

Residential Demonstration Project

59. A site for a residential demonstration project is provided for in the Recovery Plan. This project could showcase the opportunities for medium-density residential development in central Christchurch. It will include the Ministry of Business, Innovation and Employment's collaboration with CCC on a Housing Showcase, to be developed with the private sector in the central city.

Connections and accessibility

60. Increased participation in the central city by all residents will be crucial to the success of the Recovery Plan. So too will high-quality connections, both within the central city, and to the wider city, the region, and the world.

61. It is therefore important that the central city is attractive to and accessible for all people (including people with disabilities, older adults, and families with young children) and by all modes of transport.

Design and accessibility

62. Focussing on accessibility of facilities, public spaces, and transport networks at the planning and design stage enables the benefits to be captured without increasing costs. The redevelopment of the central city therefore provides an opportunity to directly, and cost-effectively, address one of the key areas identified for collaboration by government agencies under the Disability Action Plan [SOC Min (12) 6/4 refers]: mobility and access (what government can do to enable disabled people to move around their community and access the built environment).
63. Input to the Recovery Plan from planners, architects and urban designers has been undertaken with guidance from the New Zealand Urban Design Protocol, which emphasises the importance of accessibility for everyone in good design. As a minimum, all buildings, footpaths, cycleways and roads constructed will comply with the Building Act 2004 which requires design for accessibility for all people.

Smarter city

64. As part of the infrastructure implementation programme CERA will work with the asset owners to influence optimal infrastructure design that will protect future service-use options, such as smart technologies and energy-wise systems. The work being undertaken already to develop a shared utility corridor, the introduction of the telecommunications fibre as part of the Government's broadband rollout and the energy demand profiles being developed by CERA are initiatives that will also enable a "smarter city" platform that could be leveraged to develop smart technologies and services. Design and specification in the central city have been paused until the Recovery Plan is finalised, so that betterment requirements can be investigated, costed and funding apportionment discussed and agreed, where possible.

Transport

65. The redeveloped central city will have significantly improved pedestrian and cycling facilities and connections, as well as appropriately designed roading and public transport facilities and services that link central Christchurch with the surrounding suburbs.
66. Two specific projects are also proposed to enhance some specific aspects of accessibility and to replace lost civic infrastructure:
- 66.1. **Bus Interchange.** The Interchange will be located beside the core retail zone, and will be fully accessible at grade from major surrounding streets. This higher level of accessibility will help to encourage the use of public transport, and the facility will be designed to cater for projected growth to 2041. There are also proposals to enable the use of this interchange by coach service providers to facilitate integration between public transport services and long-distance and tourist coach services.
- 66.2. **Car parks.** Car parking in central Christchurch is an important component of accessibility. Ensuring that car parking is well-located and does not dominate city streets is essential to achieving high quality urban design and accessibility outcomes.

New District Plan Provisions for Central City

67. I propose to make amendments to the Christchurch City District Plan through the Christchurch Central Recovery Plan to enable redevelopment in line with the Recovery Plan.
Withheld under section 9(2)(f)(iv) Withheld under section 9(2)(g)(i)
68. The new District Plan provisions that I am intending to approve take a broadly standards-based approach across most of the central city. This will mean that, other than with respect to a limited number of urban design matters in the new Core, if the activity meets the standards, it will not require a resource consent. Standards will relate to matters such as height, recession planes, location of car parking and continuity of street frontages.
69. The exception to this general approach will be within the new Core where I consider that design quality will be particularly important because of the larger scale and higher density of development, and the extent of public investment. All new buildings in the Core will be restricted discretionary activities and will require resource consent, but the discretion to grant the consent will be restricted to a very limited number of criteria relating principally to matters such as the connection between the building and its surrounding area. These consents will be considered on a non-notified basis.
70. The existing roles of CCC and Environment Canterbury in resource and building consents will continue. The exceptions will be for decisions on consents within the Core relating to urban design matters, and block development in important retail areas, which will be made by a delegated decision-making body made up of one accredited representative with one each appointed by CERA, CCC and Te Runanga o Ngai Tahu. **Decisions to grant or decline a consent must be made within five working days from the date of lodgement of a completed application.** This process is intended to provide a swift response to applications while ensuring that the quality of the built form is enhanced.
71. After release of the Central City Recovery Plan, my officials will work closely with CCC to ensure that the new District Plan provisions are implemented successfully as they will have to give effect to the changes as soon as practicable but not later than 7 August 2012.
72. Existing use rights as provided by the RMA are unaffected. The statutory tests to establish existing use rights are stringent, but building owners who can meet them may be able to reinstate a pre-earthquake building that is not consistent with the new development standards.
73. While redevelopment opportunities will be redefined for many owners, very few will face significantly reduced opportunities to develop their land compared with before the earthquakes. I believe the impact on these owners is justified in order to create the distinctive and high quality city sought by the residents of Christchurch through the process of developing the draft Recovery Plan, and to provide improved redevelopment opportunities for all owners in the longer term.
74. Further detail on and justification for the approach I have taken is contained in the Recovery Plan and the Regulatory Impact Statement.

Impact of the Recovery Plan

75. I consider that the Plan will contribute to recovery in the following ways:
- 75.1. replacement of key facilities that support social and cultural wellbeing;
 - 75.2. environmental enhancement;
 - 75.3. retention of skilled people;
 - 75.4. creating "value uplift" across the entire central city area to support values across the whole city by ensuring Christchurch is a competitive high amenity city that will attract and retain residents and investors;
 - 75.5. enabling potential investors to identify a range of development and investment opportunities: the Recovery Plan clarifies where certain types of development might occur, but provides a wider variety of options regarding what might be developed so that the private sector can get involved and the market can begin to re-establish itself;
 - 75.6. providing sufficient spatial definition and certainty to secure the above benefits, while still allowing the central city to continue to evolve organically over time; and
 - 75.7. securing the opportunity to increase the economic productivity of the central city and of greater Christchurch by providing for a range of attractive business environments.

Next steps

76. My proposed approach to implementing the Christchurch Central Recovery Plan is outlined in Paper 2, which:
- 76.1. discusses the roles in the recovery of the private and philanthropic sectors, central and local government, and Te Runanga o Ngai Tahu;
 - 76.2. sets out the costs of major projects;
 - 76.3. details the first phase of implementation of the anchor projects; and
 - 76.4. seeks Cabinet's approval of funding for the first phase of implementation.

77.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

77.2.

Withheld under section 9(2)(i)

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

77.3.

77.4.

77.5.

77.6.

Released by the Minister for Canterbury Earthquake Recovery

78. I have requested that CERA undertake this work in conjunction with other stakeholders as appropriate, and I propose to report back to the Cabinet Committee for Canterbury Earthquake Recovery by 5 November 2012. Recommendations arising from these workstreams could lead to amendments being required to the Christchurch Central Recovery Plan. Section 22 of the CER Act enables the Minister for Canterbury Earthquake Recovery to review and amend or replace the Recovery Plan. The Minister need not consult on any review or amendment, but may do so if desired. Minor errors can be corrected without any formal process.

Monitoring and review

79. A Monitoring and Reporting Plan is being developed to coordinate monitoring of and reporting on programmes of work under the Recovery Strategy. A detailed monitoring approach for the recovery of the central city will be developed as part of the first phase of implementation of the Recovery Plan (see Paper 2) and will be integrated with the Recovery Strategy Monitoring and Reporting Plan. The monitoring approach could cover indicators such as building consent activity, the number of telephone connections, and energy use in central Christchurch, as well as feedback from informal market testing on insurance and credit availability and conditions.

Risks

80.

81.

Withheld under section 9(2)(l)

Withheld under section 9(2)(f)(iv)

82.

Withheld under section 9(2)(l)

Withheld under section 9(2)(g)(l)

Released by the Minister for Canterbury Earthquake Recovery

82.3.

Withheld under section 9(2)(l)

83

Withheld under section 9(2)(l)

Withheld under section 9(2)(a)(i)

Withheld under section 9(2)(f)(iv)

Consultation

84. No formal public consultation has been undertaken during the finalisation of the Christchurch Central Recovery Plan, as there was extensive consultation during 2011 in the development of the draft Central City Plan, and further opportunity for public comment in early 2012 after I received that Plan. The CER Act contains no requirement for additional consultation to occur at this stage of the process.
85. The contents of the Recovery Plan were discussed with the Community Forum in confidence on 5 July 2012. In general their feedback was very positive. Their key concerns related to how the anchor projects had been identified, selected and prioritised; how development between the anchor projects would be encouraged and managed; how the central city would link to wider Christchurch and the region; and the need for clarity on roles and responsibilities, and for any conflicts of interest to be managed carefully. I have had regard to the information and advice provided.
86. In finalising the Christchurch Central Recovery Plan, there has been engagement with CCG, Te Runanga o Ngai Tahu, Environment Canterbury, and the Waimakariri and Selwyn District Councils. Discussions with some landowners, potential investors, and some banks have also been undertaken.
87. The following departments and Crown entities were consulted in the development of this paper: the Treasury, the Ministry of Business, Innovation and Employment, the Department of Internal Affairs, the Ministry for the Environment, the Ministry of Health, Housing New Zealand Corporation, the Ministry of Education, Te Puni Kokiri, the Ministry for Culture and Heritage, the Ministry of Women's Affairs, the Ministry of Transport, the New Zealand Transport Agency, the Inland Revenue Department, the State Services Commission, the Ministry of Social Development and the Ministry of Justice.
88. The Department of the Prime Minister and the Cabinet was informed.

Financial implications

89. The financial implications of implementing the Christchurch Central Recovery Plan are discussed in Paper 2.

Legislative implications

90. If the Cricket Oval is to proceed, legislative changes will be required because of the restrictions imposed through the Reserves Act 1977 and other legislation.

Regulatory Impact Analysis

91. The Regulatory Impact Analysis (RIA) requirements apply to the proposal in this paper and a Regulatory Impact Statement (RIS) has been prepared and is attached as Attachment 3.
92. The Regulatory Impact Analysis Team (RIAT) from Treasury has reviewed the RIS prepared by CERA and associated supporting material, and considers that the information and analysis summarised in the RIS meets the quality assurance criteria.

Withheld under section 9(2)(g)(i)

93. I have considered the analysis and advice of my officials, as summarised in the attached Regulatory Impact Statement, and I am satisfied that,
 Withheld under section 9(2)(g)(i) the regulatory proposals recommended in the paper:
- 93.1. are required in the interests of the recovery of greater Christchurch;
- 93.2. will deliver the highest net benefits of the practical options available; and
- 93.3. are consistent with our commitments in the Government statement "Better Regulation, Less Regulation".

Gender, Disability and Human Rights implications

94. There are no gender or human rights implications associated with the proposals in this paper.
95. As discussed in paragraphs 59-62, there is a significant opportunity to cost-effectively enhance the accessibility of the built environment for all people, including people with disabilities, through the Christchurch Central Recovery Plan and its implementation.

Publicity

96. On 30 July 2012 the Prime Minister and I will announce the Government's response to the recovery of central Christchurch. The 100-day announcements will include the following:
- 96.1. detail on the first tranche of anchor projects to be implemented (in particular the Papa o Otakaro / Avon River Precinct and the Frame), including the sequencing and phasing of delivery and proposed site purchase;

COMMERCIAL: IN CONFIDENCE

- 96.2. the community engagement on the concept and location for an Earthquake Memorial;
- 96.3. the land strategy and process by which CERA will acquire land for implementation of anchor projects; and
- 96.4. marketing targeted at investors which launches the central Christchurch investment opportunity to investors local, national and international.

Released by the Minister for Canterbury Earthquake Recovery

Commercial: In confidence

Regulatory Impact Statement

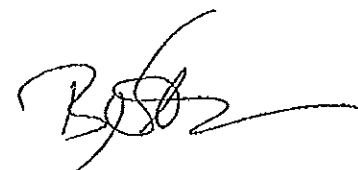
Implementing the Christchurch Central Recovery Plan

Agency Disclosure Statement

1. This Regulatory Impact Statement has been prepared by the Canterbury Earthquake Recovery Authority (CERA).
2. It provides an analysis of options for the government's response to the recovery of Christchurch Central from the September 2010 and February 2011 earthquakes. The analysis of options is based on the draft Recovery Plan for the Central Business District (CBD) which was prepared by the Christchurch City Council as required under section 17 of the Canterbury Earthquake Recovery Act 2011 and alternatives for the Minister to take into account when considering under section 21 whether or not to approve the draft Recovery Plan and whether or not to make any changes.
3. While the draft Recovery Plan for the CBD is focused on regulatory interventions through the Christchurch City Council's District Plan, this Regulatory Impact Statement covers the full range of tools the government has available to it to intervene in the earthquake recovery process at a high level.
4. The level of detail in the analysis of options is constrained by gaps in the level of information available about the impact of options. Some assumptions have been made about job creation and the national economic growth effect of Christchurch's recovery. Impacts will be sensitive to the speed of the central city's reinstatement without government intervention. There is also limited information available about the financial implications of the various scenarios. This information will develop over time. In particular, analysis of the regulatory options for amendments to the District Plan are constrained by limitations in knowledge about how investors and developers might react to changes to the rules, methods and objectives in the District Plan. The assumptions made in designing amendments to the District Plan have been informed by written and oral submissions made during the public hearing on the draft Recovery Plan for the CBD.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)



Benesia Smith
General Manager, Office of the Chief Executive
Canterbury Earthquake Recovery Authority

Date

26/7/12

Regulatory Impact Statement

Implementing the Christchurch Central Recovery Plan Background

1. The Canterbury earthquake sequence that began in September 2010 has cost 185 lives and caused an estimated \$20 billion of damage.
2. The government's legislative response following the February 2011 earthquake was to enact the Canterbury Earthquake Recovery Act 2011 (CER Act). The CER Act provides the Minister for Canterbury Earthquake Recovery and the Chief Executive of the Canterbury Earthquake Recovery Authority (CERA) with a wide range of powers which must be exercised in accordance with the purpose of the CER Act. These powers enable the collection of information; investigation; to enter land, perform work, construct structures, maintain structures and remove fixtures and fittings; construct or deconstruct buildings; survey and subdivide land; to demolish buildings; require land or buildings to be vacated; close roads; require a local authority to take any action necessary or to stop taking any action contrary to achieving the purpose of the CER Act; collate and disseminate information about structures and infrastructure; approve local authority contracts; and suspend, amend, cancel or delay any local authority plans and policies. In addition, the Minister for Canterbury Earthquake Authority can 'call up' and exercise any functions, rights or responsibilities of any local authority when this is considered necessary to achieve the purpose of the CER Act. Liability for damage and nuisance, except through negligence, is excluded. Compensation provisions are limited, though for the compulsory acquisition of land they are broadly in line with those under the Public Works Act 1981.
3. Section 17 of the CER Act requires that the Christchurch City Council (CCC), in consultation with affected communities, lead the development of a draft Recovery Plan for the Central Business District (CBD)¹. The draft Recovery Plan for the CBD was delivered to the Minister for Canterbury Earthquake Recovery in December 2011. Written comments were invited from the public by February 2012. The draft Recovery Plan prepared by CCC provides a strong vision for the recovery of Christchurch, where, after extensive consultation, the residents of Christchurch expressed their desire not merely to restore the central city but to enhance it so that it becomes a vibrant and distinctive place to live, work and play. The document was less specific about how the Plan was to be implemented and the Minister chose not to adopt the Plan unchanged.
4. On 1 April 2012, on the advice of the Minister for Canterbury Earthquake Recovery, the Cabinet mandated CERA to lead and facilitate the recovery of the Christchurch CBD as defined in the CER Act [CAB Min (12) 11/20 refers].

¹The draft Recovery Plan for the CBD covers the area bounded by Bealey Avenue, Fitzgerald Avenue, Moorhouse Avenue, Deans Avenue and Harper Avenue ("the Avenues"). The "city centre" or "central Christchurch" are terms used to describe this area too. The commercial area pre-earthquake was much smaller than this area.

5. On 18 April 2012 the Minister for Canterbury Earthquake Recovery announced the establishment of a special unit within CERA, the Christchurch Central Development Unit (CCDU), would provide clear leadership for the rebuild of Christchurch Central, working in partnership with CCC, Te Runanga o Ngai Tahu, Environment Canterbury and other public and private sector stakeholders.
6. The Minister for Canterbury Earthquake Recovery tasked CCDU with preparing the Christchurch Central Recovery Plan within 100 days of its establishment. The Christchurch Central Recovery Plan is based on the draft Recovery Plan for the CBD prepared by CCC under s.17 of the CER Act.

Status quo

7. For the purposes of this Regulatory Impact Statement, the status quo is therefore accepting the draft Recovery Plan for the CBD as prepared by CCC. What this would entail regarding regulation, government investment, is outlined below.

Withheld under section 9(2)(i)

The Regulatory Framework

Withheld under section 9(2)(f)(iv)

8. Development in the central city is regulated by the provisions of the Christchurch City Council's District Plan. The operative District Plan effectively enables traditional central city activities such as offices, retail activities, tourist accommodation and the like to establish throughout a significant portion of central city (essentially everywhere except the residential/living zones). This has enabled activities to spread across an extended area resulting in pockets of low or no activity, significant ratios of lower grade, semi-occupied buildings, and diminished amenity values which have in turn disincentivised residential occupation and development.
9. The current provisions of the District Plan also provide for a number of Living Zones within the central city. These zones share common characteristics with subtle distinctions based principally on existing character. All of the inner city living zones were recently modified by Plan Change 53 which sought to improve urban design and increase density. An analysis of the existing living zone provisions has confirmed that they are not a hindrance to immediate recovery but the variety of living zone rules in the District Plan, including Special Amenity Area rules, should be reviewed at a later date as part of a wider investigation into residential development of the central city.
10. Under section 24 of the CER Act the Recovery Plan can direct CCC to make necessary amendments to the District Plan (among other statutory documents) to give effect to the Recovery Plan.
11. As required by the CER Act, CCC prepared a draft Recovery Plan for the CBD which included proposed changes to its District Plan.

12. Having received written public comments, the Minister considered that further amendments may be necessary. When announcing the establishment of the CCDU to build on the work of CCC, the Minister acknowledged support for the draft Recovery Plan. He directed a new Recovery Plan for Christchurch Central be prepared that contained a spatial blueprint. He did not support the changes proposed to the District Plan (contained in Volume 2 of the draft Recovery Plan for the CBD) but sought a review of the changes to the District Plan be undertaken. The Minister has therefore committed the Government to have a Recovery Plan.
13. Recovery Plans approved under the CER Act must be consistent with the Recovery Strategy for Greater Christchurch. The Recovery Strategy is an overarching long-term strategy for the reconstruction, rebuilding and recovery of greater Christchurch. Furthermore, persons exercising functions or powers under the Resource Management Act 1991 (RMA) must not make a recommendation or decision which is inconsistent with a Recovery Plan. Specified Instruments, tools, plans and policies developed under the Local Government Act 2002, the Land Transport Management Act 2003, the Public Transport Management Act 2008, the Conservation Act 1987, the Reserves Act 1977 and the Wildlife Act 1953 must not be inconsistent with an approved Recovery Plan. They are read with the Recovery Plan and if there is an inconsistency, the Recovery Plan prevails.

Investment

14. CCC planned approximately \$617 million of investment in key public amenities in central Christchurch. These investments were considered necessary to replace assets that had been damaged or destroyed and to try to provide more vibrant public spaces in central Christchurch. It was proposed that central government contribute at least \$70 million for the upgrade of the Convention Centre, with the expectation of further funding being provided.

Incentives

15. The main incentives outlined in the draft Recovery Plan for the CBD were contingent on central government funding. For example, the draft Recovery Plan for the CBD proposed a per employee grant, with the expectation that central government would fund it.

Assessment

16. The key strength of the draft Recovery Plan was the vision (as provided through the consultation process undertaken by the CCC) and the use of anchor projects as a means to stimulate and catalyse redevelopment of the city centre. There are also defining elements which will help to improve amenity values – such as the strong linkages to the Avon River.

Problem definition

17. Christchurch has not had a functioning central city since the February 2011 earthquake destroyed much of Christchurch Central's built assets, public facilities and infrastructure. Without those facilities and assets, the usual activities that occur in a functioning central city cannot occur. As a result, the usual market signals about demand for various types and levels of activity in the CBD are absent.
18. The level of destruction means that there is limited clarity or information about the future spatial layout and use characteristics of the central city. This creates first mover issues, whereby investors, developers and potential tenants are reluctant to commit to construct or lease space in the central city because it is unclear what facilities will or will not be provided.
19. There is also an oversupply of land, combined with fragmented land ownership. Pre-earthquake, the Christchurch Central City contained a large amount of low-grade and widely dispersed building stock with high vacancy rates. Combined with a low level of institutional investment, new development in the central city was relatively uncommon, and low vacancy rates for higher grade stock were not met with increased levels of supply. This is indicative that attempting to construct a new central city on the basis of the past will not achieve the agglomeration benefits that a compacted commercial core would achieve and would be met with failure. Research indicates that the demand base for office space is estimated at 180,000sqm for the rebuilt central city compared to 390,000sqm of office space in the central city prior to the earthquakes.² The fragmented nature of land ownership means that the potential for whole-scale block redevelopment that meets the vision promoted through the draft Recovery Plan for the CBD is unlikely because of individual holdout owners, or because of a lack of capital to participate in such a redevelopment.
20. Given this environment, it is unlikely that investment in the rebuilding of Christchurch Central will occur in a timely and coordinated manner. Attracting investment to fund the redevelopment of Christchurch Central will also be difficult. To the extent that investment and redevelopment does occur, it is likely to result in an ad-hoc, spatially uncoordinated central city. The result will be an economically unproductive environment from a slow, uncertain recovery because investors are unwilling to take development risk and are unwilling to risk being the first mover in an uncertain environment.

² CBRE and Lincoln University (February 2012); *The Impacts of the Canterbury Earthquake on the Commercial Office Market*;

21. The root cause of this problem is the lack of clarity and a lack of accurate information about the demand for land use (residential, commercial, social) in central Christchurch and the supply of space to meet any demand:
 - a. *Demand side*: lack of confidence about the redevelopment of central Christchurch; little information about the potential location of retail, social, and other commercial activities so that tenants/occupiers can identify appropriate or preferred locations; little information about the cost of tenancy (rent, insurance, etc.)
 - b. *Supply side*: lack of certainty in demand for tenancy sufficient to gain development funding; land agglomeration issues; inaccurate or uncertain information about geotechnical conditions; inaccurate or uncertain information about insurance availability.
22. While the vision from the draft Recovery Plan for the CBD provides the basis for the recovery of central Christchurch, it contains insufficient information on how it would be implemented, however. It contains changes to the District Plan that would require resource consent applications for new buildings in most of the central city. The future development of Christchurch's central city under the proposed changes in the draft Recovery Plan for the CBD would be slower than necessary to achieve self-sustaining recovery as quickly as possible, which international research has shown to be important for the success of the recovery effort. The complexity of the District Plan and the additional considerations proposed by the draft Recovery Plan reduce certainty for investors and developers over what proposals will gain consent, and therefore also work to slow the recovery effort. Further, the draft Recovery Plan for the CBD does not respond to the over-supply of land issues, which will be detrimental to achieving spatially coordinated development that provides the agglomeration benefits of a city.
23. The costs and benefits of the status quo are assessed as part of Option 1 of this analysis (ref to paragraphs 65-71 below).

Objectives

24. The key objective is for Christchurch Central to become an investible city that is self-sustaining in the medium-to-long term. This is one which is:
 - a. fit for purpose, providing social, cultural, residential and commercial facilities that people want (as a city serving almost 560,000 people with no other city of more than 300,000 within 300km), with an internationally acceptable level of services and thus risk and return to investors, residents and visitors; and
 - b. operates without the need for extraordinary Crown intervention.

25. To achieve this objective, central government's interventions are aimed at delivering the following outcomes:
- a. A city that is used by people for a diverse range of activities day and night
 - b. A compact commercial core which enables people and businesses to exchange ideas, engage in commercial activity and that maximises access to and the connections between a range of complementary activities
 - c. A range of living options within the central city that allow for a substantial and diverse residential population
 - d. High quality public space consistent with the vision in the draft Recovery Plan for the CBD
 - e. A mix of uses of the city's built environment, reflecting the organic diversity of cities that have successfully developed over time
 - f. A local identity that reflects the past while embracing new opportunities
 - g. An investment environment that is as stable and as commercially viable as other Australasian cities
 - h. Allowing the central city to continue to evolve (such as options of allowing the "core" to expand in the future, if there is demand, and if that is desired by the people of Christchurch).
26. These outcomes have been derived from the draft Recovery Plan for the CBD, which was the product of a major public consultation process, as well as from the lessons that CERA has identified from disaster recovery experience in other locations.

Assessment criteria

27. The options identified are assessed against the following criteria, which reflect the objectives identified above:
- a. Ensuring that residents, investors, developers and tenants have accurate information in order to understand the opportunities available and the true costs of their decisions;
 - b. Enabling the market to provide the mix of activities sought by providing certainty of location and avoiding pockets of low or no activity;
 - c. Providing opportunities for residential development throughout the central city, recognising the need to increase the number of people living within the Avenues in order to sustain other activities
 - d. Providing signals to the market by ensuring that the planning regime is consistent with the vision of the Recovery Plan and delivers quality urban design and a compact commercial core;

- e. Providing the necessary regulatory environment to ensure a spatially coordinated city development, reflecting the diversity of cities successfully grown across time;
 - f. Providing central government with an exit strategy for its extraordinary role in Christchurch in the medium-term. The exit strategy will include re-establishing the place of local government in the planning and decision-making for the future of Christchurch by ensuring that recovery occurs promptly and efficiently
 - g. Providing adaptability to preserve optionality for future decisions
28. The assessment criteria are measures of what CERA hopes to achieve from the implementation of the Recovery Plan under the CER Act.
29. Assessment criteria (a) to (e) all seek to assess the extent to which options will contribute towards delivering an investible city as discussed in the objectives. The option which enables the market for land development in Christchurch Central to return to a level of operation equivalent to any other New Zealand city the fastest will be the option that best meets these criteria, and therefore contributes most strongly to the objective.
30. Criterion (f) seeks to identify the extent to which any option proposed provides central government with an ability to withdraw from day-to-day intervention in the local affairs of Canterbury as the recovery builds momentum and becomes self-sustaining. The option which most quickly returns Christchurch to a governance state similar to other New Zealand towns and cities will be the option that enables central government to withdraw from day-to-day intervention in Christchurch, and thus contributes towards achieving the objective.
31. Criterion (g) recognises that the government has some significant decisions to make and it could be locked into significant fiscal risk. Adaptability will address the limited information available about the financial implications of the various scenarios, and this information will develop over time.

Regulatory impact analysis

32. The recovery of Christchurch Central is dependent on a wide range of factors controlled by different agents all coming together to successfully deliver the inspiration provided by the citizens of Canterbury through the draft Recovery Plan for the CBD. The government has a significant role to play in implementing recovery. The broad parameters for government intervention are:
- a. *Information provision:* ensuring that residents, investors, developers and tenants can accurately assess risk and make decisions accordingly.
 - b. *Acquisition, ownership and control:* using central government's powers under the CER Act to acquire land and therefore control outcomes achieved with the development of that land.

- d. *Regulation:* using the government's regulatory powers to direct what development can or cannot occur, achieved either within the powers already enabled under the CER Act or through additional regulatory change.
33. These parameters are explained in more detail below. Analysis has been undertaken at a qualitative level, taking into account international experience in disaster recovery adapted to the context in Christchurch. Option scenarios are developed below, applying the parameters on a low, medium or high scale against the four broad parameters for government intervention in the above paragraph (noting however that the low medium high dial has already been set at high by the government in relation to information provision (paragraph 0 refers).
34. The impact assessments that follow will be used to feed into the assessment of each option against the assessment criteria.

Information provision

35. As identified above, the fundamental problem facing the residents of greater Christchurch is the lack of accurate information about land supply and demand for land, and the uncertainty created by this lack of accurate information. Ensuring that all groups affected by the Canterbury earthquakes have access to accurate information has been the major objective to be achieved from the government's involvement in the recovery of greater Christchurch because the wide availability of accurate information on land supply and land demand de-risks investment decisions for both land owners and potential tenants of residential, commercial and industrial buildings and land. Reducing the perceived risks to investment will help all individuals affected by the Canterbury earthquakes to make well-informed decisions about reinvestment, and consequently, will drive the recovery process forward faster.
36. The CER Act provides CERFA with a powerful set of information gathering tools. These powers form the government's primary response to the Canterbury earthquakes, and have been part of CERFA's role since its formation.
37. The making available of accurate information about land will not be sufficient on its own to ensure a successful, self-sustaining recovery, however. First-mover concerns – such as being the only occupant in a new location / area and not having access to complementary business and retail services will prevent recovery from occurring promptly. Over-supply of land zoned for central city activities will also not be resolved through the provision of accurate supply and demand information.
38. There is a lack of information, and therefore government's first role is to improve the level and availability of information for investors, businesses, land owners and residents to allow the market to function effectively and more efficiently. Improving the level of information available and enabling access to it is considered to be a baseline approach for all options seeking to advance the recovery of Christchurch Central.

39. The government has already instructed CERA to prepare a "data room", which draws together data about geotechnical conditions which can be used to provide investors and developers with sufficient information to make informed decisions, and to de-risk insurance markets. CERA has also been instructed to prepare an investment and marketing strategy to attract private sector investment, for which the data room will be a key resource. These actions are not considered to be a differentiating factor between options, and will be progressed alongside any additional measures, which are explored in more detail below.

Acquisition, ownership and control

40. This parameter uses the government's ability to purchase land and buy assets to deliver the desired recovery outcomes. Ownership of land enables the government to control what developments occur where and when development is undertaken, either through its own resources or by the structured release or sale of land to the private sector. Some ownership has already been achieved through the purchase of residential red zoned land. Additional ownership could be achieved through open market purchase of non-residential land or by using CERA's powers of compulsory acquisition.

Low

41. The low level application of this tool would limit acquisition to that already authorised through the offers to owners of residential red zoned properties.

Medium

42. A medium level application would extend ownership and control to land that is necessary to deliver the anchor projects identified in the Recovery Plan. The anchor projects are large-scale civic developments which stimulate economic activity by drawing people and commercial activity to particular areas.
43. Based on current land acquisition and build cost estimates, the gross capital cost of the anchor projects in the Recovery Plan is around [redacted]. The breakdown by project is below:

Withheld under section 9(2)(l)

Withheld under section 9(2)(l)

Withheld under section 9(2)(k)

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(i)

Withheld under section 9(2)(j)

Withheld under section 9(2)(k)

Withheld under section 9(2)(g)(i)

44. It is proposed that final decisions on most of the anchor projects are not considered until the projects have been through appropriate business case processes. In the interim and to maintain momentum and build confidence, it is proposed that substantive decisions be taken on three projects. These are expected to be:

- a. The Frame: to be created to encompass the new form of central Christchurch, the Frame borders the north, east and south of the central city. The Frame will assist to reduce the oversupply of land by focussing the area available for redevelopment and 'take out of play' some of the more marginal commercial land.
- b. A request for proposals for design work on the Convention Centre Precinct and Metro Sports Facility. These anchor projects will replace key facilities that have been destroyed by the earthquakes and provide high quality indoor and outdoor public space and recreation facilities, and it is anticipated that they will also catalyse private sector development in the surrounding areas and elsewhere in the city and provide Christchurch with enhanced opportunities for growth regionally and nationally. The Convention Centre Precinct will provide a strong signal to the business sector that Christchurch remains the key business hub of the South Island;
- c. The Avon River Park / Papa o Ōtakaro, which will create an attractive river corridor throughout the central city to contribute towards providing high public amenity spaces that attract people back to the city. The Park will also provide value uplift for adjacent private sector development and investments as well as reducing the amount of roading located on some of the most seismically susceptible land.

45. These projects have been selected on account of their criticality to the recovery (the Frame and the Convention Centre Precinct) and their straightforward nature, enabling early amenity improvements (Avon River Park / Papa o Ōtakaro).

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i) Withheld under section 9(2)(g)(i)

High

46. High use of the acquisition, ownership and control tool would involve central government using its powers under the CER Act to acquire much or all of the land in central Christchurch and control its development across time.

Potential impacts of low, medium or high levels of central government acquisition, ownership and control of property

Groups	Low	Medium	High
Business	Business owners unaffected, however, also 'unassisted' in development opportunity.	Placement of anchor projects helps to build the structure of the city, which will be helpful to business owners making relocation and investment decisions. Greater chance of private sector investment.	Private sector effectively crowded out investment decision-making in the central city.
Local Govt	Little impact. Could be seen to be providing space for local govt. to respond to the disaster in its own way.	Anchor projects have been established in conjunction with CCC, so this option still gives local govt some influence. Has potentially significant funding and operational impacts.	Little ability to influence city-shaping decisions.
Central Govt (cost)	Low cost. Exit strategy simple.	Medium cost. Has potentially significant funding and operational impacts.	High cost. Exit strategy less clear because of the risk that central government is not an effective developer.
Residents	Low impact on residents. Failure to show implementation of draft Recovery Plan may imply lack of commitment to recovery. Limited public participation in public amenity areas.	Development of anchors is based on feedback from development of draft Recovery Plan, so shows government's commitment to achieving the vision. Opportunity to participate in quality public spaces.	High impact. May not provide adequate opportunities for public participation or provide these in an ill-targeted manner. The government controls future development, but may also show strong commitment to draft Recovery Plan vision.
Land owners	Little impact. Could be negative if restricted future purchasing of additional properties deemed unsuitable for redevelopment.	May preserve land value through restricting supply. Investment in anchors positive, though will impact on those affected by the placement of the anchor projects; this can be mitigated by compensation for acquisition.	Significant impact on those owning land in central city. Private sector effectively shut out.
Net Impact	Little impact overall. Low cost to implement, but unlikely to stimulate recovery action.	Net positive impact. Cost is not insignificant, however shows clear commitment to recovery through actions that will overcome first-mover problems and land oversupply problems. Leaves room for Crown's eventual exit.	Net positive impact. Extremely costly, and makes Crown's exit potentially difficult because of the high number of assets owned. Private sector investment may be crowded out.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(l)

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

5

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(f)

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Regulation

57. Regulatory tools could be implemented at the local level through Resource Management Act tools such as plan changes to the District Plan using the First Schedule processes to the Resource Management Act – requiring public consultation, calling for submissions and further submissions, requiring a full hearing and appeal process through the Environment Court and beyond. Under the CER Act, however, it is possible to over-ride the provisions of existing legislation and regulatory schemes through an Order in Council. Changes to the District Plan through a direction in a Recovery Plan provides a combination of the existing regulatory tool with expedited changes.

Low

58. Regulation under the low scenario would mean that most activities and their development are permitted so no resource consents are required. This would result in a lack of controls such that there could be adverse effects on neighbours and would provide a level of uncertainty about future amenity values (and in particular promoting good urban design outcomes). This could compromise returns on investment, including government investment.

Medium

59. A medium level of regulation would specify underlying zoning for Christchurch Central, which would prescribe activities within broad areas. This would provide specific rules to control attributes, such as height limits, recession planes, the location of car parking, set backs and requirements for 'active' street frontages in the commercial core. The anchor projects would be consented through a 'spot zone' or provided for by a

designation.⁵ The attributes of the chosen design would be restricted in their discretion to ensure good urban design outcomes. There could, however, be no control on existing use rights as afforded by section 10 of the RMA.

High

60. A high level of regulation would seek to significantly control the design, look and architectural merit of specific buildings with unrestricted discretion, in addition to the attributes above, through the District Plan. Zoning in areas outside the central city would prevent large scale commercial or retail development being undertaken in order to focus commercial development inside the new commercial core. This approach is reflective of some of the provisions provided in the draft Recovery Plan for the CBD.

Potential impacts of low, medium or high regulation through the District Plan

Groups	Low	Medium	High
Business	Potentially very stimulatory initially as no activities would be prevented, however, in the medium term could result in co-location of undesired activities which might compromise returns on investment and slow recovery.	Attempts to provide certainty over quantifiable attributes, so as to provide certainty, so a positive impact.	Requiring discretionary consent for all activities creates uncertainty of outcomes because it is unclear whether development opportunities are likely to gain consent. Over prescription of permitted and controlled activities leads to administrative costs of compliance. The impact is potentially highly negative.
Local Govt	Negative impact because of the problems created by co-location of non-complementary activities.	Simplified planning regime (compared to current District Plan) delivers greater certainty of outcomes, so positive impact.	Negative impact because of the likelihood of poor recovery outcomes in the medium term caused by a restrictive approach to regulation.
Central Govt (cost)	Low financial cost	Low financial cost	Low financial cost
Residents	Negative impact for residents because it does not show commitment to delivering the vision from the draft Recovery Plan for the CBD.	Positive impact from greater certainty over outcomes of consenting processes, but within the framework set by the vision of the draft Recovery Plan for the CBD.	Strong commitment to delivering the draft Recovery Plan vision so may be perceived as a positive impact in the short-term. In the medium-term, however results are unlikely to match this perception because of the negative impact on achieving recovery.

⁵ A 'spot zone' is the application of zoning to a specific parcel of land within a larger zoned area. This is usually undertaken when the rezoning is at odds with a city's master plan and current zoning restrictions in order to enable a specific activity.

Land owners	Lack of restrictions on the use of land might stimulate demand strongly, which would be positive, but might also discourage first movers due to lack of certainty. Second round effects are likely to be negative because of poor co-location of non-complementary activities.	Greater certainty provided over activities that can be undertaken in each zone, so a positive impact. Land owners directly impacted by designations may perceive this negatively.	Restrictions on development potential would be negative for land owners generally.
Net impact	Net negative impact. Low cost and stimulatory to private sector investment in the short term, but likely to create poor outcomes inconsistent with the draft Recovery Plan vision in the medium-term.	Net positive impact. Low cost to implement. Results in simpler but adaptable planning regime that increases certainty, and reflects the vision of the draft Recovery Plan.	Net negative impact. Low cost, however, this approach to planning would decrease certainty of outcomes for developers and would prevent the achievement of a dynamic regulatory environment that will facilitate promptly delivering on recovery outcomes.

Options analysis

61. Six option packages have been prepared for analysis. These are arrived at by varying three of the four parameters (acquisition, regulation) with low, medium or high settings. The level of information provision is a constant and has already been determined by Ministers as being high.

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(i)

63. The role for central government after the 4 September 2010 earthquake, which clearly fitted within modelled seismic risk and resulting building codes, was moderate and involved the establishment of the CER Commission – which was a relatively low key oversight and coordination entity. At a one in several thousand year event for Canterbury, the 22 February 2011 event was a tail-end risk of the type markets typically do not carry, and the government's response must therefore provide confidence to domestic and international investment and insurance markets that the New Zealand government will act to help mitigate the effects on the community of catastrophes that fall at the outside of accepted probability bands.

64. Accordingly, options 1 to 6 that follow are reflective of the response expected of a government to a tail-end risk event.

Withheld under section 9(2)(i)

Option 1: status quo – no additional acquisition,

Withheld under section 9(2)(f)(iv)
no regulation

65. Option 1 is the status quo – the Minister for Canterbury Earthquake Recovery would approve the draft Recovery Plan for the CBD without change. The CCC would be responsible for implementing the Recovery Plan.

Benefits

66. This option would provide strong moral support for the vision contained in the draft Recovery Plan for the CBD and the public process of developing the plan. CCC would have a clear role as the entity responsible for achieving a successful recovery from the Canterbury earthquakes.

Costs

67. The draft Recovery Plan for the CBD does not respond to the problems identified in Christchurch Central. It does not respond to the over-supply of land issues, which will be detrimental to achieving spatially coordinated development that provides the agglomeration benefits of a thriving city centre.
68. The draft Recovery Plan for the CBD prepared by CCC also contains insufficient information on how it would be implemented. Further, it contains changes to the District Plan that are onerous and do not simplify the existing complex document. CCC does not have access to the powers afforded to CERA under the CER Act, so while the approval of the draft Recovery Plan would implement changes to the District Plan instantly, new development within the new rules would still be subject to standard RMA processes. This would result in development timelines similar to those before the earthquakes, which do not accord with international best practice for recovery from disaster. The CCC's proposed changes to the District Plan reduce certainty for investors and developers over what proposals will gain consent, and therefore also work to slow the recovery effort.
69. Without the financial resources of central government, it is unlikely that the anchor projects identified in the draft Recovery Plan could be developed in a timeframe consistent with best practice recovery from a disaster of this scale.
70. The current situation has a significant cost to the economy. The dislocation of businesses following the February earthquake has already had a substantial economic cost. Preliminary estimates suggest the impact of business dispersion has been about \$370M or about 2.5% of the Christchurch economy per year. This is an ongoing cost that accrues to the national economy as lost growth and lost output, as these businesses will continue to operate sub-optimally unless agglomeration economies in the core can be restored. Depending on assumptions regarding the restoration of a productive core, the overall productivity gains across the 30-year assessment horizon used for the Recovery Plan, equates to between NPV\$2.0 - NPV\$5.0b in lost output, assuming a 1.8% PY real GDP growth rate.

Risks

71. This option would exacerbate the risk that the public investment in achieving recovery would fail to stimulate private sector investment, and consequently fails to deliver a self-sustaining recovery. Central government would then face further difficult decisions about whether or not to intervene at that much later point in time where recovery would be much more difficult to catalyse.

Withheld under section 9(2)(f)(iv)

Option 2: Medium acquisition; medium regulation

Withheld under section 9(2)(i)

72. Option 2 uses the existing powers enabled by the CER Act to implement changes to the Christchurch District Plan with respect to the planning controls for the central city and surrounding areas. The degree of change implemented decreases as distance from the central city increases.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i) land would be acquired to develop a number of anchor projects, such as civic facilities.

73. Structures which do not comply with the new underlying zoning and associated rules would still have to be assessed against the purpose and principles of the RMA.

Benefits

74. The anchor projects are expected to stimulate economic activity by drawing people and commercial activity to particular areas. The Avon River Park and the Central Area Frame will contribute towards the enhanced amenity and green space sought through the draft Recovery Plan for the CBD while also soaking up some of the excess commercial land in the central city, helping to focus development in a more compact commercial area.

Withheld under section 9(2)(f)(iv)

75.

Withheld under section 9(2)(i)

The placement of a significant number of government employees in the rebuilt city will stimulate confidence in the rebuild process and will have second round benefits for demand for retail and hospitality space.

76. Regulation is focused on matters for which it is simple to draft definitive rules. Compared to the operative District Plan, some land owners in the new commercial core will benefit from greater development opportunities because the majority of commercial and retail development will be most likely to occur there. The change to the District Plan is a strong signal that a new, enabling regime is in play, rather than continuing with the rules under the operative District Plan which was perceived by developers and land owners as restrictive.

77. Creating a denser urban form will have additional benefits beyond simply restoring the productivity that had existed historically. Density, higher output and job creation are historically linked, and restoring and exceeding the existing densities could lead to an increase of between 4,000 - 8,000 net new jobs, which would further increase densities. This would result in a net increase to New Zealand GDP of between 0.2-0.5%.

Withheld under section 9(2)(g)(i)

Costs

- 79. Compared to the situation under the operative District Plan, some land owners will face different development opportunities and constraints, while a few land owners outside the commercial core (but inside the former "central city") will in some cases face greater constraints on the development of their land.
- 80. Overall, the approach to regulation in Option 2 is less prescriptive than under the operative District Plan. This is likely to provide less certainty for residents about achieving the vision sought through the draft Recovery Plan for the CBD, however, provides greater certainty for developers in relation to their ability to construct new buildings in a timely manner.

Withheld under section 9(2)(i)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(i)

Withheld under section 9(2)(f)(iv)

Option 3: Medium acquisition; high regulation

- 85. Option 3 varies from Option 2 by taking a stronger approach to regulation. This would include creating explicit rules around the appearance of buildings in Christchurch Central, as well as creating requirements for improvements to public amenity through

Risks

92. This position would potentially alienate private sector developers from the future development of Christchurch because they would be dependent on central government choosing how and when to open up the development process to private sector participation. It could also be perceived as reducing the ability for the residents of Christchurch to be able to assert their local democratic rights through the local authority because there would be little ability for them to influence outcomes in their communities. There is also a risk that it would be difficult for central government to exit day-to-day involvement in Christchurch when it owns the majority of land (and potentially major assets) in Christchurch Central.

Option 5: medium acquisition; low regulation

93. Option 5 implements the anchor projects, but takes the same minimalist approach to regulation as Option 4,

Withheld under section 9(2)(f)(iv)

Benefits

Withheld under section 9(2)(i)

94. This light-handed approach to regulation would likely provide strong initial confidence to developers and investors since they would have a free rein in the development of their land. The implementation risks of this option are low, since development decisions would be made by the private sector.

Costs

95. The financial cost would be lower than some of the other options.

Risks

96. This option is assessed as having a low probability of achieving the recovery outcomes sought in the long-term through the draft Recovery Plan for the CBD because there would be little spatial coordination of activity across the city. This lack of spatial coordination is likely to result in a cityscape which is less economically productive than under a coordinated approach because agglomeration benefits are unlikely to be delivered to the extent they would be with coordination. Investor certainty would be likely to fall after the first movers have invested because of inconsistent and/or undesired activities occurring in close proximity, which would slow recovery.

97.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(i)

Option 6: Medium acquisition; low regulation

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(l)

Withheld under section 9(2)(g)(i)

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(l)

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Consultation

104. The draft Recovery Plan for the CBD, upon which the Christchurch Central Recovery Plan is based, was the subject of extensive public consultation before its submission to the government. Within 10 weeks of the February earthquake, the Christchurch City Council launched 'Share an Idea', a public engagement campaign aimed to maximise community involvement in the redevelopment of the Central City. A series of 10 public workshops were attended by about 450 residents, there were drop boxes for ideas at the University of Canterbury and Christchurch Polytechnic and schools were also involved. Ideas were also sought through Facebook and Twitter. More than 100 stakeholder meetings were also held during this period, including one-off meetings with individual organisations, weekly meetings with business representatives and various workshop-type gatherings to formulate ideas.
105. Under section 17 of the CER Act, CCC was required to hold at least one public hearing during the development of the draft Recovery Plan for the CBD, which occurred in October 2011, after calling for public comment in September. Following this, the draft Recovery Plan for the CBD was submitted to the Minister and written comment was sought, as required under s.20 of the CER Act. While the public were supportive of the vision promoted through the draft Recovery Plan for the CBD, there was also significant opposition to the lack of clear guidance on how it would be implemented.
106. The Minister for Canterbury Earthquake Recovery considers whether or not to approve the draft Recovery Plan under s.20 of the CER Act. There is no requirement for consultation under s.20, and seeking to do so would potentially be problematic under the terms of s.20 as it could potentially open the Minister up for judicial review (as in *Whangamata Marina Society Inc v The Attorney-General of New Zealand*).
107. No additional consultation has been undertaken on the Christchurch Central Recovery Plan, although the Minister invited further comment on the CCC's draft Recovery Plan in early 2012 to inform his decision-making. In finalising the Christchurch Central Recovery Plan, there has been engagement with central government departments (through the Urban Oversight Group and the Canterbury Earthquake Recovery Senior Officials' Group) and with CERA's strategic partners: Christchurch City Council, Te Rūnanga o Ngāi Tahu, Environment Canterbury, Selwyn District Council and Waimakariri District Council.

Conclusions and recommendations

108. The table below summarises the net impacts of each of the option combinations. The net impact is defined as the total benefits less the total costs of each individual option.

Table: Net impact of options

Option	Acquisition
1	Low
2	Medium
3	Medium
4	High
5	Medium
6	Medium

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Regulation	Net Impact
Low	Negative
Medium	Positive
High	Neutral
Low	Negative
Low	Neutral - positive
Low	Negative

109. Based on the qualitative analysis undertaken, the following conclusions have been reached in Table below:

Table: Options compared to assessment criteria

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Access to accurate information	x	✓		✓	✓	✓
Enabling the market to provide the mix of activities sought	x		x	x	✓	✓
Coordinating market activity through the planning regime to deliver the vision	x	✓	x	x	x	✓
Residential opportunities		✓	✓	✓	✓	✓
Regulatory environment that ensures spatial coordination of the city	x	✓	✓	x	x	x
Avoiding locking central government in to long-term involvement in Christchurch	x	✓	✓	x	✓	x
Providing adaptability	x	✓	✓	x	✓	x

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

110. Option 2 (medium acquisition, medium regulation) is preferred. Option 2 seeks to implement a phased approach to central government's involvement in the recovery process by using the investment central government is required to redevelop for its day-to-day operations in Christchurch to stimulate complementary private sector investment. The regulatory approach under option 2 seeks to leverage the existing understanding of RMA-based planning tools and to implement the changes proposed quickly in order to facilitate the re-development process.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

Implementation

111. A specific role is to be established for the CCDU within CERA to lead and be accountable for:
- the implementation of the Christchurch Central Recovery Plan;
 - definition, procurement and delivery of the anchor projects; and
 - use of the implementation toolkit
112. This implementation role reflects the original role of CERA and the role contemplated for the CCDU by the government [CAB Min (12) 11/20 refers].
113. The preferred option will require changes to the rules, objectives and policies in CCC's District Plan to implement the desired regulatory changes. The CER Act requires that a local authority must amend an RMA document if directed through an approved Recovery Plan. The CCDU will work with CCC to implement these changes as simply as possible. The costs of complying with the new District Plan will be minimised to the extent possible by the role that CCDU will play in the on-going facilitation of redevelopment in Christchurch Central and the recovery across the wider Canterbury region.
114. Overall, the amended District Plan is assessed as being more enabling than the operative District Plan, therefore, compliance costs should be lower than the situation before the earthquakes began. This will vary to some extent by the location of any development – in areas outside the new commercial core, some previously existing development rights will be removed, and therefore, compliance costs may well be greater. The actual incidence of these costs will vary dependent on the sort of development attempted. CERA and CCC will be able to assist in keeping compliance costs as low as possible by ensuring that the regulatory implications of the Christchurch Central Recovery Plan are well understood by those affected and that facilitation work between CCDU and affected property owners seeks to assist them to understand the implications of the changes and the opportunities created.

115. A part of CCDU's future role is to establish a process for evaluating the effectiveness of the achievement of the objectives of the Recovery Plan. As a part of this process, the comparative effectiveness of the tools that are used by government to deliver those objectives will be assessed. The timing for this review is dependent on the speed of recovery on the ground. A review will initially be scheduled to occur one year after the release of the Christchurch Central Recovery Plan. This will include as assessment of the effectiveness of the regulatory measures in achieving the outcomes sought and the appropriateness of the District Plan in providing for the medium- to long-term future of Christchurch City post-recovery. It is anticipated that the District Plan provisions delivered through the CER Act, with its focus on recovery from disaster, may not be the best regulatory approach for managing the long-term development of Christchurch Central.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

117. The CER Act expires five years after the day it commenced, on 19 April 2016. The Christchurch Central Recovery Plan will also cease to have effect on that date. A plan to transition beyond that date will be created with strategic partners by April 2015 to ensure continuity of the recovery process.

Monitoring, evaluation and review

118. Active monitoring and evaluation will be undertaken directly by CCDU in the rollout of the tools proposed through the Christchurch Central Recovery Plan.
119. Monitoring and evaluation will be depend on the tools implemented. Responsibility for monitoring the effectiveness of the amended District Plan provisions contained within the Christchurch Central Recovery Plan will sit with the CCC. This will be undertaken through the same processes as are used now.

120 Withheld under section 9(2)(f)(iv) Withheld under section 9(2)(i)

More detail will be determined once this information is generated. Initial indications of the sorts of things CERA anticipates monitoring include:

- a. Consenting activity;
 - b. data on the number of telephone connections and energy use in central Christchurch; and
 - c. informal market testing on insurance and credit availability and conditions.
121. Section 22 of the CER Act enables the Minister for Canterbury Earthquake Recovery to review and amend or replace the Recovery Plan. The Minister need not consult on any review or amendment, however may do so if desired. Minor errors can be corrected without formal process.

Released by the Minister for Canterbury Earthquake Recovery

Office of the Minister for Canterbury Earthquake Recovery

Joint Ministers group authorised by Cabinet on 23 July 2012 to make decisions

IMPLEMENTATION OF THE CHRISTCHURCH CENTRAL RECOVERY PLAN (PAPER 2 OF 2)

Purpose

1. This paper is the second of two papers on the Government's approach to the recovery and redevelopment of central Christchurch. It sets out the implementation and costs of major projects. It discusses the roles and responsibilities of central and local government, Te Runanga o Ngai Tahu and private sector (including philanthropic) investment. It describes the first phase of implementation in more detail. It seeks Cabinet's agreement to the funding of the initial elements of the Christchurch Central Recovery Plan, including anchor project land acquisition.

Executive Summary

2. The first phase of implementing the Recovering Plan, as described in this paper, is outlined in Figure 1 below. The longer term programme is outlined in Attachment B.

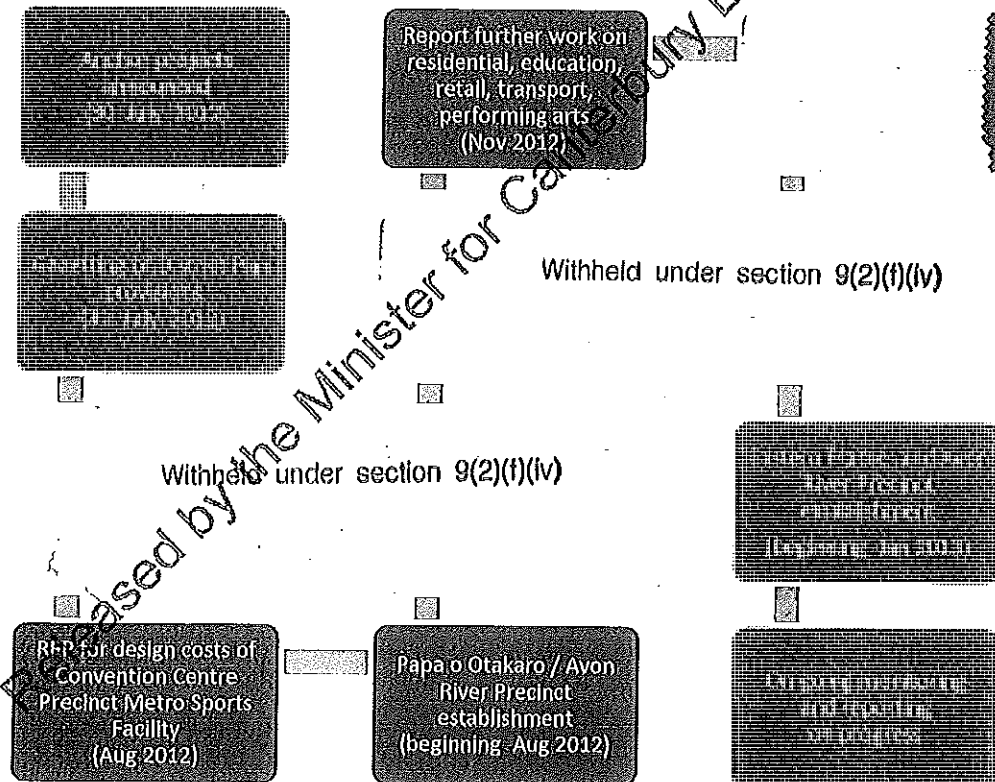


Figure 1: Summary of implementation of Recovery Plan

3. Withheld under section 9(2)(g)(i) Withheld under section 9(2)(i)

COMMERCIAL: SENSITIVE

4. I believe investor confidence can only be gained by announcing on 30 July 2012 both a cohesive spatial vision for the city and a comprehensive implementation programme. The programme should still leave open the possibility for variance in the cost, scope, scale and sequencing of the individual anchor projects; further, they would still be subject to business cases.

5. Withheld under section 9(2)(i) Withheld under section 9(2)(j)

Withheld under section 9(2)(f)(iv)

I am working with CCC and the private (including philanthropic) sector to ensure that further private investment is captured through development financing to fill this net funding gap. Over time, private sector investment is anticipated to provide the greater proportion of recovery investment. I do not see central government as the residual funder of all the anchor projects and paying for this funding gap.

6. The Government's involvement in the redevelopment of central Christchurch should focus on building confidence and certainty in order to create an enduring self-sustaining recovery. Central and local government will need to avoid crowding out private sector investment, ensure that central government's involvement is time-limited and that there is a clear strategy for its withdrawal from an active role as sponsor and funder of key redevelopment. Given the scale of the disaster in greater Christchurch, however, a significant level of involvement from central and local government will be needed to restore the basic amenities and functions required of an effective mid-sized, developed economy city. Only after this will we see the re-establishment of a functioning market of sufficient scale to be self-sustaining.

7.

Withheld under section 9(2)(i)

7.2.

Withheld under section 9(2)(i)

7.3.

7.5.

Withheld under section 9(2)(f)(iv)

7.6.

Background

8. This paper is the second of two papers concerning the recovery of Christchurch from the Canterbury earthquake series that began in September 2010.
9. The first paper covered the decisions I have made about central government's response to the draft Recovery Plan for the CBD, prepared by CCC, as required by the Canterbury Earthquake Recovery Act 2011 (CER Act). Attached to Paper 1 is the Christchurch Central Recovery Plan, which responds to the vision promoted by the residents of Christchurch through the consultation process on the draft Recovery Plan. The Recovery Plan includes a spatial blueprint and details of the location of anchor projects that seek to stimulate the recovery process. It also details amendments to the Christchurch City District Plan that I consider necessary to enable a focused, timely and expedited recovery in the central city.
10. In Paper 2, I provide more detail about how I propose to implement the various elements of the Christchurch Central Recovery Plan. Specifically, it includes details about the roles and responsibilities of central and local government, Te Runanga o Ngai Tahu and the private sector. It also seeks the approval of Cabinet for the first tranche of central government funding to begin the implementation of the Christchurch Central Recovery Plan.
11. On 23 July 2012, Cabinet authorised a group of Ministers (comprising the Prime Minister, Minister of Finance, Minister for Canterbury Earthquake Recovery, the Associate Minister of Finance (Hon Steven Joyce) and the Associate Minister for Canterbury Earthquake Recovery (Hon Amy Adams) to take final decisions on the papers, following consideration by CER, so that a public announcement about the Recovery Plan can be made on 30 July 2012 [CAB Min (12) 25/26 refers].

Implementation of the Christchurch Central Recovery Plan

12. Speed is a key factor in maximising the benefits of the Christchurch Central Recovery Plan. International examples show that successful recovery from a natural disaster is heavily dependent on getting substantial redevelopment underway within three years. More than one year has passed and the window of opportunity to successfully kick-start the recovery of the central city is closing. This window of opportunity relates to:
 - 12.1. giving confidence and certainty to the city and investors, and
 - 12.2. the ability to effectively secure the spatial footprint that will do the most to generate an enduring self-sustaining recovery in central Christchurch and enable greater Christchurch to play a key role in our national economic growth agenda.

Broad role of Government and key decisions

13. The central and local government's involvement in the redevelopment of central Christchurch should focus on building confidence and certainty in order to create an enduring self-sustaining recovery. This means avoiding crowding out private sector investment, and ensuring that central government's involvement is time-limited and that there is a clear strategy for its withdrawal from an active role as sponsor and funder of key redevelopment. Given the scale of the disaster in Christchurch, however, a significant level of involvement from central and local government will be needed to:

COMMERCIAL: SENSITIVE

- 13.1. restore the basic amenities and functions required of an effective mid-sized developed economy city; and
- 13.2. stimulate the re-establishment of a functioning market of sufficient scale to be self-sustaining.
14. Rebuilding Christchurch is one of the key priorities of the Government's growth agenda [EG| Min (12) 3/1 refers]. The recovery of Christchurch is one of this Government's highest priority goals. The anchor projects identified in the Recovery Plan are likely to help achieve this outcome, albeit at significant cost. Judgements need to be made regarding the appropriate level and form of central government intervention and about the value for money of these anchor projects.
15. There are three options for decision-making about delivery of the anchor projects:
 - 15.1. Approval of the projects outlined in the Draft Recovery Plan prepared by CCC and leaving delivery to the CCC as scheduled in their Annual Plan; or
 - 15.2. Detailed consideration of each of the projects contained in the Christchurch Central Recovery Plan which is to be approved by me, taking into account the commitment from the CCC in its Long-Term Plan and Annual Plan, and assessing the business case for central government and CCC involvement in each; or
 - 15.3. Central government and CCC commitment to the broad anchor programme I have laid out in the Christchurch Central Recovery Plan with detailed specifications, funding and delivery options to be confirmed before project level central government and CCC funding commitment is determined.
16. The key criteria for assessing these options for commitment to delivery of the projects is the extent to which the options are likely to:
 - 16.1. boost private confidence;
 - 16.2. deliver productivity benefits; and
 - 16.3. not crowd out private sector investment.
17. Tools commonly used to assess the benefits and costs of expenditure proposals are national cost-benefit analysis (NCBA), which assesses nation-wide benefits and costs of proposals, and regional economic impact assessment (REIA), which assesses the localised benefits of spending. The use of these two tools reflects the two Government goals of value-for-money and Christchurch recovery, respectively.
18.

Withheld under section 9(2)(l)

Withheld under section 9(2)(l)
19.

Withheld under section 9(2)(g)(l)

20. Overall, a decision about the appropriate level of central government investment in the anchor projects involves an assessment of the key risks. These risks are:
 - 20.1. the risk of doing too little, with the consequent negative effects – in particular on confidence and a timely recovery; and
 - 20.2. the risks of doing too much – in particular crowding out private investment and increasing public debt.

Initial Government Commitment and Priorities

21. I consider at the very least the minimum level of intervention likely to be required, and that best meets the criteria at paragraph 17, is:
 - 21.1. an information and marketing campaign;
 - 21.2. facilitation of and support for private sector-led development;
 - 21.3. acquisition of land for the anchor projects;
 - 21.4. investment in The Frame;
 - 21.5. investment in Papa o Otakaro / Avon River Precinct ; and
 - 21.6. providing indications about the timing, funding, and location of other anchor projects.
22. Papa o Otakaro / Avon River Precinct and The Frame are significant spatial elements that shape the nature of redevelopment that follows and deliver an optimal long term form, function and amenity to the central city. They are being developed first because of their spatial scale, visual impact, buffering effect on other anchor projects and significant catalyst effect. The Frame in particular concentrates redevelopment within the central core without using regulatory tools such as zoning. The Frame's design will attract investment in projects within and adjacent to it, and leaves open the options of allowing the Core to expand in the future. The other anchor projects will need to follow soon afterwards as a means of attracting people back to the city centre.
23. Withheld under section 9(2)(i)
Withheld under section 9(2)(i)
Withheld under section 9(2)(f)(iv)
24. In addition to the anchor projects, CERA intends to facilitate "catalyst" private-sector-led projects (see paragraphs 84-92). The CCC has also identified a number of initiatives it intends to pursue other than its contribution to the anchor projects. The timing and funding for these other CCC projects will be managed through the CCC's Long-Term Plan (to be completed in 2013) and Annual Plan processes, under the Local Government Act 2002.

Released by the Minister for Canterbury Earthquake Recovery

Roles and responsibilities

Overview of key relationships

25. Critical to the success of the implementation of the Recovery Plan by CERA will be robust and collaborative relationships between CERA and its strategic partners (in particular, CCC, Environment Canterbury, and Te Runanga o Ngai Tahu) as well as the universities, polytechnic, tertiary hospital, and infrastructure providers. Given the greater Christchurch context it will be important to facilitate the involvement of Selwyn and Waimakariri District Councils as appropriate.
26. Respecting the aspirations of the community as articulated in the draft Recovery Plan for the Central Business District, and maintaining clear communication with the community, will be an on-going priority for CERA.
27. CERA's relationship with the private sector must continue to be strong if it is to successfully foster the confidence and certainty required to secure the substantial private investment needed to deliver a recovered central city. Over time, private sector (including philanthropic) investment is anticipated to make up the greater proportion of recovery investment, although such investment generally occurs slightly later in the recovery process. Conversely, central government investment will play a crucial role in the early stages of recovery, in order to "pump prime" private investment, and can be scaled back as the recovery gains momentum.
28. It is my expectation that the existing division of roles and responsibilities will remain.
29. As discussed in Paper 1, CCC and Environment Canterbury will continue to deliver consenting functions in central Christchurch.
30. Other central government departments and agencies have strong interests in the redevelopment of the central city. These interests include network planning and infrastructure provision, service delivery, heritage retention, and being key tenants.
31. An overview of the roles and responsibilities of key agencies and sectors in the implementation of the Recovery Plan and revitalisation of the central city is attached as Attachment A to this paper. The table recognises that a successful recovery requires dedicated effort from a number of parties with relevant skills and relationships. It also requires all parties to have a clear shared understanding of their role.

Role of Central Government

ROLE OF THE CANTERBURY EARTHQUAKE RECOVERY AUTHORITY

32. To recognise the significant investment central government is making as part in supporting the recovery of central Christchurch, and the implications of success for recovery of greater Christchurch, Canterbury and the whole of New Zealand, CERA will lead and be accountable for the:
 - 32.1. overall implementation of the Christchurch Central Recovery Plan;
 - 32.2. acquisition of land for the anchor projects;
 - 32.3. scheduling and coordination of construction; and

- 32.4. Withheld under section 9(2)(f)(iv) ~~Withheld under section 9(2)(f)~~
33. CERA will have an oversight, facilitation and support role in:
- 33.1. Investment in the Frame;
 - 33.2. Papa o Otakaro / Avon River Precinct with CCC, Te Runanga o Ngai Tahu and others; and
 - 33.3. The delivery of the other anchor projects (as needed).
34. CERA will also implement a targeted marketing and branding strategy to attract private sector investment. The strategy will target:
- 34.1. local, national and international investors, funders, insurers and reinsurers; and
 - 34.2. local, national and international businesses looking to set up or who are already operating in Christchurch.
35. There is also a need to 'market' the central city to local residents as a place they will want to live, work, shop and play in. International examples of redevelopment and rejuvenation projects show that community support is a key success factor so there will need to be an active events and engagement strategy.
36. In order to facilitate the implementation programme outlined in this paper, CERA will need to hold and deal in land, buildings, and activities. This may include the establishment and use of special purpose asset holding vehicles. It will also require design, programme management, and project delivery functions, as well as transactional capacity covering investment, ownership, structuring, risk management, financing and marketing.
37. The roles outlined here for CERA reflect previous Cabinet consideration [CAB Min (12) 11/20 refers].
38. CERA will continue to work closely with its strategic partners (CCC, Environment Canterbury, Te Runanga o Ngai Tahu, and Selwyn and Waimakariri District Councils).

OTHER GOVERNMENT DEPARTMENTS AND AGENCIES

39. As partners and leaders of anchor projects, other government departments and agencies have a significant role, in conjunction with CERA, in the recovery of greater Christchurch, including the central city. For example:
- 39.1. the Ministry of Justice is leading the Emergency Services and Justice precinct (with NZ Police, Department of Corrections, Department of Courts and the New Zealand Fire Service);
 - 39.2. the Ministry of Education is reviewing schooling needs in the central city;
 - 39.3. the NZ Transport Agency has a partnership role in particular with the Bus Interchange and reinstating the transport network;

COMMERCIAL: SENSITIVE

- 39.4. the Ministry of Business Innovation and Employment is involved in decisions related to the Convention Centre Precinct, Stadium and Cricket Oval; and
- 39.5. the Ministry for Culture and Heritage is leading the design and engagement process for the Earthquake Memorial.

GOVERNMENT SECTOR ACCOMMODATION AND BETTER PUBLIC SERVICES

- 40. In addition to these department's roles in the recovery, in the long run, the rebuilding of Christchurch offers a unique opportunity to redesign central government services and to test innovative models of service delivery. There are groups of agencies whose work has significant overlaps in terms of service delivery to citizens or business. For these agencies, co-location-based collaboration or back office sharing of services will lead to improved effectiveness.
- 41. The Better Public Services work has looked at strengthening the existing functional leadership roles in the areas of property, ICT and procurement to secure economies or efficiencies across departments, improve services or service delivery, develop expertise and capability across departments, and ensure business continuity. The need to rebuild the central government's office accommodation in Christchurch provides an opportunity for the Government to put into practice the thinking that has been done in the context of Better Public Services about better coordination and pooling of resources, and organising central government services with a focus on the citizen.
- 42. In pursuing this opportunity the Government can also support the reoccupation and rebuild of central Christchurch.
- 43. On 26 June 2012, the Cabinet Committee on State Sector Reform and Expenditure Control (SEC) agreed that the Chief Executive of the Ministry of Social Development (MSD) sign off on all departmental property decisions in Christchurch. This is to cover both decisions in relation to the Christchurch central business district (office accommodation for regional management and corporate support functions) and the wider service delivery network [SEC Min (12) 10/2 refers].
- 44. The Property Management Centre of Expertise (PMCoE), hosted by MSD, has provided a coordination and information sharing service to agencies as they have put temporary arrangements in place and developed some more sustainable interim solutions. This role has now been strengthened.
- 45. There are two key elements of this work: securing central government office accommodation for regional management and corporate support functions, and longer-term development of a sustainable and integrated service delivery network (in-person public interface sites). The project to develop the integrated service delivery network is not of immediate relevance to the Christchurch Central Recovery Plan.

46. As at 30 July 2011, public service and non-public service departments employed approximately 5,550 Fixed Term Equivalents (FTE) in the Canterbury region¹. The PMCoE estimates that around 2,500 of these could be located in or near central Christchurch. Government services office accommodation tenancies will provide the developers of office space with some guaranteed demand and is anticipated to stimulate demand for ancillary services (retail, hospitality, and secondary commercial services, as well as specialist services such as financial and advisory services).
47. The government services office accommodation tenancies could therefore stimulate wider redevelopment, including of other commercial office buildings. This would not only advance the redevelopment of central Christchurch, but would have the added benefit of providing long-term options for central government to seek out office space on a competitive basis.
- 48.

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(g)(i)

49. PMCoE has also initiated a process to secure good quality interim office accommodation for those agencies with acute accommodation needs. A registration of interest for developing this interim solution was issued on 19 May 2012 and the aim is for interim accommodation close to the central city for approximately 350 staff (and potentially up to 500) to be ready for occupation by December 2012.

Role of Christchurch City Council

50. CCC has a significant and long term role in the redevelopment of the central city:
- 50.1. It has the mandate of the residents of Christchurch to represent their views in the rebuild, and provide guidance about the direction and vision for the recovery of the central city.
- 50.2. CCC was mandated through the CER Act to lead the development of the draft Recovery Plan for the CBD in consultation with affected communities, and with the other strategic partners.
- 50.3. It acts as a regulator under the provisions of the Resource Management Act 1991 and Building Act 2004 to ensure the safety of its community. Except in relation to urban design matters in the Core (as outlined in Paper 1), the CCC will continue as the City's principal planning authority and is responsible for the administration of the changes I have made to the District Plan.

¹ Source: Human Resource Capability Survey, State Services Commission, August 2011. Note that this figure includes the Police (approximately 1222 FTE) and civilian staff employed by the New Zealand Defence Force (approximately 203 FTE).

COMMERCIAL: SENSITIVE

- 50.4. It is a significant investor and owner of civic facilities and infrastructure that will help shape the rebuilding of central Christchurch. It is responsible for the planning of these facilities and infrastructure.
- 50.5. It has agreed to be a partial funder of the anchor projects with central government and with the private sector and philanthropic sources.
- 50.6. It will be involved in "transitional" projects and events that will attract people back to the central city and begin to build the confidence of the development market.
- 50.7. It will be responsible for funding the on-going operating and maintenance costs of community assets such as Papa o Otakaro / Avon River Precinct.

Interests of Te Runanga o Ngai Tahu

51. In accordance with the status of Ngai Tahu as a Treaty partner with the Crown and Te Runanga o Ngai Tahu as a strategic partner with CERA under the CER Act, Te Runanga o Ngai Tahu has a significant role to play in the implementation of the Recovery Plan. Through its property company, Te Runanga o Ngai Tahu has significant investments in central Christchurch and through both its commercial operations and its people Ngai Tahu has a strong desire to see the cultural, social, commercial and economic revitalisation of the central city occur in a timely manner.
52. The rebuild and revitalisation of central Christchurch also provides an opportunity for the Crown and Te Runanga o Ngai Tahu to consider building on existing partnerships. Te Runanga o Ngai Tahu already owns certain properties which are leased to the Crown.

Withheld under section 9(2)(g)(i)
53. Under the Ngai Tahu Claims Settlement Act 1998, certain lands owned by the Crown prior to the date of the settlement are covered by the Ngai Tahu right of first refusal. If there is an intention to dispose of these lands, this must be done in accordance with that Act. The Ngai Tahu right of first refusal is also specifically protected by section 59 of the CER Act. These interests will therefore need to be taken into account during the exercise of powers under the Canterbury Earthquake Recovery Act to dispose of land in the central city.

Infrastructure Repair and Replacement - SCIRT

54. Central and local government have a shared responsibility for funding and directing the rebuilding of roading, water, stormwater and wastewater infrastructure in greater Christchurch. Preliminary assessments of damage to the three waters and roading systems within the Avenues have been estimated in order of \$200 million, without betterment or improvements. The repair and replacement programme is being undertaken by the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) under the governance of CERA, CCC and NZTA. I propose that these existing relationships and roles will continue.

- 55. Construction works within the central city are coordinated with SCIRT's infrastructure repair and replacement programme, and with the implementation plans of the power and telecommunications networks. Phasing of underground rebuild work and design specifications will be aligned with the above-ground requirements. Coordination will also minimise disruption to businesses and people returning to the central city.
- 56. CCC, through its council-controlled organisation Enable Networks Limited, is responsible for the roll out of ultra-fast broadband. This will be a key enabler of the recovery vision. It may be that CCC will need to revisit its commitment to such a capital intensive venture at this time or look for other partners to deliver this key infrastructure. I have asked CERA to discuss this issue with CCC.

57.

Withheld under section 9(2)(j)

Withheld under section 9(2)(j)

Withheld under section 9(2)(k)

Released by the Minister for Canterbury Earthquake Recovery

² The Convention Centre Precinct offers flexible convention facilities for up to 2,000 people, and thus complements other convention centres in Auckland and Queenstown and allows Christchurch to participate in the emerging Asia Pacific convention market. It is not just a traditional convention centre, however, but a civic facility that provides a range of indoor and outdoor public spaces. It connects Papanui / Otakaro / Avon River Precinct to the Square and increases activity at the ground floor level in surrounding areas.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(i)

Withheld under section 9(2)(g)(i)

58.

59.

Withheld under section 9(2)(j)

60.

Withheld under section 9(2)(l)

61.

Withheld under section 9(2)(k)

62.

Released by the Minister for Canterbury Earthquake Recovery

63.

64.

Withheld under section 9(2)(l)

65.

Withheld under section 9(2)(l)

66.

67.

Withheld under section 9(2)(k)

68.

69.

Released by the Minister for Canterbury Earthquake Recovery

70.

71.

withheld under section 9(2)(l)

72.

Withheld under section 9(2)(l)

73.

74.

Withheld under section 9(2)(k)

75.

Released by the Minister for Canterbury Earthquake Recovery

76.

Withheld under section 9(2)(f)(iv)

77.

withheld under section 9(2)(j)

78.

Withheld under section 9(2)(i)

79.

Withheld under section 9(2)(k)

80. I propose the following process for the Crown to acquire the land:

80.1. The anchor projects will be designated through directions in the Recovery Plan to amend the District Plan. The Council has to give effect to the changes as soon as practicable but no later than 7 August 2012. Once the designation is in place, owners cannot do anything on the land that is contrary to the purposes of the designation.

Withheld under section 9(2)(h)

80.2. The land can be acquired either by agreement or compulsorily. I intend to progress land acquisition voluntarily to the extent possible. Compulsory acquisition will be used if required and will be initiated very quickly for the initial projects and key sites to ensure possession can be delivered by December 2012.

80.3. Compensation is defined in the CER Act as the claimant's actual loss with the same to be determined by the Minister as at the date of acquisition. My determination, as required under the CER Act, is to have regard to the current market value of the land as set by a valuation carried out by a registered valuer and, as much as practicable, in accordance with the compensation provisions of the Public Works Act.

81. I note the following points relating to the designation and acquisition process:

81.1.

Withheld under section 9(2)(h)

81.2.

Withheld under section 9(2)(h)

81.3.

Withheld under section 9(2)(i)

81.4.

Withheld under section 9(2)(l)

82.

Withheld under section 9(2)(k)

82.1.

82.2.

83.

84.

84.1.

Withheld under section 9(2)(f)

84.2.

84.3.

Withheld under section 9(2)(g)(i)

85.

Withheld under section 9(2)(f)(iv)

Released by the Minister for Canterbury Earthquake Recovery

86.

Withheld under section 9(2)(f)(iv)

87.

Withheld under section 9(2)(f)(iv)

88.

Withheld under section 9(2)(l)

89.

Withheld under section 9(2)(l)

90.

Released by the Minister for Canterbury Earthquake Recovery

Withheld under section 9(2)(g)(i)

Withheld under section 9(2)(i)

Withheld under section 9(2)(f)(iv)

91.

Risks

92. In passing the CER Act and establishing CERA to lead the recovery of greater Christchurch, central government also assumed some of the costs of an implied guarantee of the success of the recovery process.
93. As I have previously identified for Cabinet, there are risks relating to the time and manner of the Crown's withdrawal from an active role in the redevelopment of Christchurch's central city [CAB Min (12) 21/6 refers].

Failure Risks

94. I am aware that there is an overarching risk that even with a substantial programme of public investment, the central city will not be viable in the long-term, and could require on-going subsidy by central government if it is to continue rather than be subject to managed decline. However, I believe that the larger risk is of not doing enough, with the result that the recovery fails to occur. While residents of Christchurch can take some comfort in the availability of public and private funds (insurance) to speed disaster recovery, the tight financial constraints the government is operating under, and the reluctance of the financial community to invest, could see an under investment of funds for disaster-recovery. It is therefore important that a least regrets approach is adopted and one that is flexible to adjust to changes in the property and investment market.

Fiscal Risks

95. There are also significant fiscal risks to central government from additional investment in the recovery. In relation to announcement of the anchor projects, given the uncertainty around the final sources of funding, central government is likely to hold the risk as the residual funder of these investments. In addition, central government is likely to face the risk of cost escalation if procurement processes are not well-managed. I am also aware of generic risks from poor-quality expenditure and the potential for further calls on Government funds if the implementation of the Christchurch Central Recovery Plan does not lead to a self-sustaining recovery.

96.

Withheld under section 9(2)(f)(iv)

97.

Withheld under section 9(2)(i)

98.

Withheld under section 9(2)(i)

99.

100.

Withheld under section 9(2)(i)

101.

Withheld under section 9(2)(i)

Withheld under section 9(2)(h)

Released by the Minister for Canterbury Earthquake Recovery

102.

Withheld under section 9(2)(h)

103.

Withheld under section 9(2)(i)

Withheld under section 9(2)(i)

Monitoring and Reporting

104. CERA is currently gearing up to put in place a proposed monitoring framework for the implementation of the Recovery Strategy for greater Christchurch. I would like to see the monitoring framework also covering the implementation of the Christchurch Central Recovery Plan. The monitoring approach could cover indicators such as building consent activity, the number of telephone connections and energy use in central Christchurch, as well as feedback from informal market testing on insurance and credit availability and conditions.

10:

Withheld under section 9(2)(h)

Consultation

106. No formal public consultation has been undertaken during the finalisation of the Christchurch Central Recovery Plan, as there was extensive consultation during 2011 in the development of the draft Central City Plan, and further opportunity for public comment in early 2012 after I received that Plan. The CER Act does not include any requirement for additional consultation to occur at this stage of the process.

107. CERA officials discussed the contents of the Recovery Plan with the Community Forum on 5 July 2012. In general their feedback was very positive. Their key concerns related to how the anchor projects had been identified, selected and prioritised; how development between the anchor projects would be encouraged and managed; how the central city would link to wider Christchurch and the region; and the need for clarity on roles and responsibilities, and for any conflicts of interest to be managed carefully. I have had regard to the information and advice provided.

108. In finalising the Christchurch Central Recovery Plan, there has been engagement with Christchurch City Council, Te Runanga o Ngai Tahu, Environment Canterbury, and the Waimakariri and Selwyn District Councils. Discussions with some landowners, potential investors, and some banks have also been undertaken.

109. The following departments and Crown entities were consulted in the development of this paper: the Treasury, the Ministry of Business, Innovation and Employment, the Department of Internal Affairs, the Ministry for the Environment, the Ministry of Health, Housing New Zealand Corporation, the Ministry of Education, Te Puni Kokiri, the Ministry for Culture and Heritage, the Ministry of Transport, the Ministry of Women's Affairs, the New Zealand Transport Agency, the Inland Revenue Department, the State Services Commission, the Ministry of Social Development and the Ministry of Justice.
110. The Department of the Prime Minister and the Cabinet was informed.

Financial implications

111.

Withheld under section 9(2)(k)

Withheld under section 9(2)(j)

Withheld under section 9(2)(i)

112. I propose that the Chief Executive of the Canterbury Earthquake Recovery Authority (or designate) will undertake the land acquisition for the anchor projects on behalf of the Crown, but will report to me prior to exercising this power.

113. I also propose that CERA will report to the Minister of Finance and the Minister for Canterbury Earthquake Recovery on a quarterly basis on the management of the gross and net anchor project costs.

114.

Withheld under section 9(2)(f)(iv)

Withheld under section 9(2)(g)(i)

114.2

Withheld under section 9(2)(f)(i)

114.3

Withheld under section 9(2)(f)

114.4

Withheld under section 9(2)(g)(i)

114.5

114.6

115.

Legislative

116. There are no legislative implications arising from this paper.

Regulatory Impact Analysis

117. A Regulatory Impact Statement has been prepared covering both Paper 1 – Christchurch Central Recovery Plan and this paper. It has been independently reviewed by the Treasury's Regulatory Impact Analysis Team. The Regulatory Impact Statement is attached to Paper 1.

Gender, Disability and Human Rights implications

- 118. There are no gender or human rights implications associated with the proposals in this paper.
- 119. There is a significant opportunity to cost-effectively enhance the accessibility of the built environment for all people, including people with disabilities, through the Christchurch Central Recovery Plan and its implementation. These are discussed in more detail in Paper 1.

ATTACHMENTS

Attachment A: Withheld under section 9(2)(f)(iv)

Attachment B: Withheld under section 9(2)(j) Withheld under section 9(2)(k)

Released by the Minister for Canterbury Earthquake Recovery