

S E N S I T I V E



Cabinet

CAB Min (11) 39/4

Copy No:

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.

Decisions on Canterbury Orange Zones

Portfolio: Canterbury Earthquake Recovery

On 25 October 2011, Cabinet:

Background

- 1 noted that on 23 June 2011, the Prime Minister and the Minister for Canterbury Earthquake Recovery announced four land damage zones for greater Christchurch;
- 2 noted that properties were zoned Orange on the basis that area-wide damage had been suffered but further work was required to assess the options to repair the land and rebuild in these areas;
- 3 noted that there are currently an estimated 8,096 residential properties in the remaining Orange zones;
- 4 noted that engineering experts have divided the land in the greater Christchurch area into three technical categories (TC), which differ in terms of their susceptibility to liquefaction-related settlement in future large earthquakes:
 - 4.1 TC1 areas are unlikely to have future land damage from liquefaction, and ground settlements are expected to be within normally accepted tolerances, so there are no additional foundation requirements;
 - 4.2 TC2 areas may get minor to moderate land damage from liquefaction in a future large earthquake. Lightweight construction or enhanced foundations are likely to be required to address this;
 - 4.3 TC3 areas may get moderate to significant land damage from liquefaction in future large earthquakes. For repair and rebuild work on foundations requiring a building consent, a site specific geotechnical investigation will be required to identify and design the appropriate foundation solutions for the property;
- 5 noted that the Department of Building and Housing has developed guidance and standard foundation designs for TC1 and TC2, and a trial is under way to test foundation solutions for TC3, which will inform future guidance and enable better estimation of the costs of rebuilding on TC3 land, to be progressively released from mid December 2011;

- 6 **noted** that on 19 September 2011, Cabinet authorised a group of Ministers, comprising the Minister of Finance, the Minister for Canterbury Earthquake Recovery, and the Associate Minister of Finance (Hon Steven Joyce), to have Power to Act until 25 February 2012 to take decisions on classifying the Orange zone areas [CAB Min (11) 34/19];

Proposed New Green Zones

- 7 **noted** that a key principle underpinning previous Green zone decisions is that land damage can be repaired on an individual basis as part of the normal insurance process;
- 8 **noted** that further geotechnical investigation of the Orange zones has revealed that properties in many of the remaining Orange areas can be repaired on an individual basis;
- 9 **agreed** that 6,430 of the remaining Orange zone properties, as indicated on the map attached as Appendix 2 to the paper under CAB (11) 616, be rezoned Green on the basis that the best available information indicates individual land remediation solutions are possible;
- 10 **noted** that most of the properties to be rezoned Green under paragraph 9 above will be in Technical Category 3, and will therefore require site-specific geotechnical investigation where a building consent is required for foundation repairing or rebuilding, and will likely face higher costs of rebuilding associated with land strengthening or enhanced foundation requirements;
- 11 **noted** that the Minister for Canterbury Earthquake Recovery has instructed officials to report back on the implications of the above rezoning decisions for the Spencerville land remediation pilot project;
- 12 **noted** that the Minister for Canterbury Earthquake Recovery has instructed officials to liaise with local authorities, insurers and EQC, and to advise him on any consenting, insurance or other issues that may be barriers to cost effective remediation;
- 13 **noted** that some properties to be Green zoned may benefit from coordinated land works, especially along waterways (e.g. where slumping has occurred);
- 14 **noted** that the Minister for Canterbury Earthquake Recovery has directed officials to advise him on what role (if any) exists for the government to facilitate group land remediation works;

15

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

Remaining Orange Areas

- 16 **noted** that in the remaining Orange zones, consisting of 1,666 properties identified on the map attached as Appendix 2 and listed in Appendix 3 (as updated) to the paper under CAB (11) 616, further work is still required to determine appropriate zoning;
- 17 **noted** that, of the remaining areas, Southshore West, Kaiapoi West 2 and Brooklands are the highest priority because property owners in these areas have been expecting an announcement for some weeks;

- 18 **noted** that any decisions regarding the rezoning of the remaining Orange areas can be made by Ministers with Power to Act under the existing authority referred to in paragraph 6 above;
- 19 **noted** that the Minister for Canterbury Earthquake Recovery has asked officials to report to Ministers with Power to Act by Wednesday, 26 October 2011, on possible rezoning decisions for Brooklands and Kaiapoi West 2, and the timeframes for decision making for the remaining Orange areas;
- 20 **invited** the Minister for Canterbury Earthquake Recovery to report back to Cabinet on 31 October 2011 on the decisions made by Ministers with Power to Act referred to in paragraph 18 above;

Announcements and communications

- 21 **noted** that the Minister for Canterbury Earthquake Recovery plans to announce the Orange rezoning decisions on Friday, 28 October 2011;
- 22 **noted** that this announcement will be closely coordinated with the announcement to be made by the Minister for Building and Construction of new technical land categories, and the release by the Department of Building and Housing of related guidance material.

Secretary of the Cabinet

Reference: CAB (11) 616
Updated Appendix 3, tabled by the Minister for Canterbury Earthquake Recovery
