



Cabinet

CAB Min (11) 41/10

Copy No: 19

Minute of Decision

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Canterbury Earthquake Recovery: Rezoning of White (Unzoned) Non-Residential Land

Portfolio: Canterbury Earthquake Recovery

On 14 November 2011, Cabinet:

- 1 **noted** that white (unzoned) non-residential properties in greater Christchurch, including Kaiapoi, the Christchurch CBD, and non-residential areas in the Port Hills and Lyttelton white areas, can be zoned green to enable normal insurance and consenting processes to be used to determine where rebuilding and/or repairs can occur;
- 2 **noted** that on 12 September 2011, the Minister for Canterbury Earthquake Recovery announced that non-residential land owners in the white areas of greater Christchurch (excluding the CBD, Port Hills and Lyttelton white areas) could begin rebuilding and repairing, provided that an appropriate geotechnical report was submitted with their building consent application;
- 3 **noted** that it is necessary to provide clear guidance to currently unzoned non-residential property owners that they can progress as normal using the insurance processes and consenting procedures that apply to their properties (effectively extending and reconfirming the effect of the 12 September 2011 announcement referred to in paragraph 2 above);
- 4 **noted** that communications about zoning will need to distinguish non-residential land, currently white, from residential land already zoned green, so that non-residential land owners understand that:
 - 4.1 specific engineering assessment of their land will be required;
 - 4.2 such assessments may lead to detailed site specific geotechnical investigation and/or specific foundation design;
- 5 **agreed** that approximately 8,300 white zone, non-residential properties in greater Christchurch, including Kaiapoi, the Christchurch CBD and non-residential properties in the Port Hills and Lyttelton white areas, be zoned green as indicated in the hatched areas on the map attached to the paper under CAB (11) 634;

Withheld under section 9(2)(a)

- 6 **agreed** that two properties in the white area ^{also be zoned green, as the} suitability of these properties for green zoning has been confirmed in the course of ongoing checking of the detail of white area geospatial data files;
- 7 **noted** that the Minister for Canterbury Earthquake Recovery intends to announce the new zoning on Thursday, 17 November 2011.

Secretary of the Cabinet

Reference: CAB (11) 634

Released by the Minister for Canterbury Earthquake Recovery

Office of the Minister for Canterbury Earthquake Recovery

Memorandum for Cabinet

CANTERBURY EARTHQUAKE RECOVERY: REZONING OF WHITE (UNZONED) NON-RESIDENTIAL LAND

Purpose

- 1 This memorandum seeks Cabinet agreement to zone green approximately 8300 non-residential properties across greater Christchurch that are currently in the white (unzoned) area.
- 2 Cabinet agreement is also sought to zoning green a housing New Zealand estate and a private residential property as the suitability of these properties for green zoning has been confirmed in the course of ongoing checking of the detail of white area geospatial data files.

Executive Summary

- 3 The owners of currently unzoned, non-residential property need clear guidance that they can progress as normal using the insurance processes and consenting procedures that apply to their properties (ie, effectively extending and reconfirming the effect of the 12 September 2011 announcement of the interim process to enable non-residential owners to rebuild and repair if an appropriate geotechnical report is submitted with their building consent application).
- 4 It is proposed that approximately 8300 non-residential properties, currently white, be zoned green. The zoning of these properties will need to be supported by updated land information maps, associated map legends and effective communications. The communications will be critical to ensure that all non-residential land owners understand that specific engineering assessment of their land will be required and that such assessments may lead to detailed site specific geotechnical investigation and/or specific foundation design.
- 5 It is also proposed that two properties (a Housing New Zealand estate and one residential property) from the white area be zoned Green.

Background

Previous Cabinet decisions and Ministerial announcements

- 6 Land zoning announcements on 23 June 2011 included white areas which referred to land yet to be assessed (eg, the CBD, Port Hills, and Banks Peninsula) as well as non-residential land outside the CBD that will not be assessed.
- 7 On 12 September 2011, the Minister for Canterbury Earthquake Recovery announced that non-residential land owners in the white areas of greater Christchurch (excluding the CBD, Port Hills and Lyttelton white areas) could begin rebuilding and repairing if an appropriate geotechnical report was submitted with their building consent application.

White non-residential land

- 8 This paper focuses solely on white, non-residential land in greater Christchurch including Kaiapoi, the Christchurch CBD and non-residential areas in the Port Hills and Lyttelton white areas. Property numbers for the focus area are summarised in the table below.

	Commercial & industrial (improved and vacant)	Other (eg, parks, utilities, health, education, rural)	Totals
'Flat land' areas	6379	818	7197
Port Hills area	296	823	1119
			8316

Figures based on Good Earth Matters Valuation (GEM) letters to CERA and accompanying maps and shape files for 'Flat area white zones property counts' dated 29 September 2011 and 'Port Hills white zones property counts' dated 4 October 2011.

- 9 The CBD area is currently subject to broad-scale geotechnical investigations and recovery planning studies. These are intended to inform the development of a regulatory framework for reconstruction in the CBD area. The recovery plan will shape the rebuilding and may be considered part of ongoing construction. The outcome of these investigations and studies would not remove the need for CBD property owners to arrange their own engineering assessments, site specific geotechnical investigation and/or specific design (ie, to support individual building consent applications).

White (unzoned) residential land

- 10 Remaining white (unzoned) land is typically in residential areas (less than 4000 m²) that are under further investigation by the Christchurch City Council (CCC), Port Hills Geotechnical Group and EQC Land Damage Assessment Team. The white (unzoned) residential areas of the Port Hills are being considered through a separate process due to different types of land damage and life-safety issues. The remaining residential Port Hills areas cannot be zoned until all land damage/life-safety issues are considered and resolved.
- 11 The three technical categories in guidelines developed by the Department of Building and Housing apply in the areas of greater Christchurch where those categories have been mapped. If there are any residential properties within the area of the CBD which remain unmapped in regard to technical categories, the owners of those properties would also need to arrange their own engineering assessments to determine the need for detailed site specific geotechnical investigation and/or specific foundation design.
- 12 Insured residential properties may have engineering assessments arranged through EQC/insurers. There may also be residential property insurance claims (including EQC) on corporately owned properties – again these will be identified under the normal insurance processes and dealt with as the claimant's insurance contract requires.

Comment

The proposed green zoning of non-residential land

- 13 Engineering advice received by CERA indicates all white, non-residential land in greater Christchurch including Kaiapoi, the Christchurch CBD and non-residential areas in the Port Hills and Lyttelton white areas could be zoned to enable normal insurance and consenting processes to determine where rebuilding and/or repairs can occur.
- 14 The non-residential white areas have not been mapped for land damage specifically by any individual organisation so there is no complete database that holds all the data for the non-residential land types. Typically normal insurance and consenting processes apply in these areas. The Earthquake Commission Act 1993 makes provision for the insurance of residential property against damage caused by certain natural disasters (including earthquakes) and does not apply to non-residential properties.
- 15 It is necessary to provide clear guidance to currently unzoned non-residential property owners that they can progress as normal using the insurance processes and consenting procedures that apply to their properties (effectively extending and reconfirming the effect of the 12 September 2011 announcement of the interim process to enable non-residential owners to rebuild and repair if an appropriate geotechnical report is submitted with their building consent application).
- 16 I therefore propose that approximately 8300 white, non-residential properties in greater Christchurch including Kaiapoi, the Christchurch CBD and non-residential areas in the Port Hills and Lyttelton white areas be zoned green as indicated in the hatched areas on the map in Attachment One (ie, the final map will show these areas as green, not hatched). If approved, this proposal would enable the non-residential land owners to begin their site-specific assessments with a view to rebuilding, repairs or future developments on the land.
- 17 As some non-residential properties have already been zoned green, the decision to zone green the remaining non-residential properties is consistent with earlier decisions. Advice on options for non-residential properties in the red zone is being worked through separately.
- 18 Updated land information maps, map legends and ongoing communications about zoning will need to be clear that non-residential land has not had the same level of assessment as residential land already zoned green. That will help to ensure non-residential land owners understand that specific engineering assessment of their land will be required and that such assessments may lead to detailed site specific geotechnical investigation and/or specific foundation design.
- 19 The public is already familiar with the red, orange and green colour scheme associated with residential land mapping/zoning and Crown purchase offers for red zone, insured residential properties. The scheme is indicative of land damage (determined by land damage mapping) and, along with information about Department of Building and Housing technical categories, delivers a clear message to owners of residential land and their insurers. This is another reason why green zoning of more non-residential land will need to be supported by effective communications about the implications for land owners (see further comment below about different types of owners).
- 20 I also propose that Cabinet agree to approve rezoning two properties from the white area to green.

The suitability of these properties for green zoning has been confirmed in the course of ongoing checking of the detail of white zone geospatial data files.

Zoning effect on different types of landowner

- 21 The green zoning would communicate to owners of non-residential land that Government considers recovery may proceed with normal regulatory processes. If required, direction and/or guidance on specific building standards will be produced by the Department of Building and Housing.
- 22 Some of the green zoned non-residential properties may have severe to moderate land damage and/or remain subject to life safety risks such as rockfall. Areas to be zoned green where there may be life safety risks are generally undeveloped areas in the hills and do not, for example, include commercial land or buildings.
- 23 These new green zone properties may require land remediation, protective works or specific foundation design to repair and rebuild any building or support any new development located there. This would need to be widely communicated along with information that, in general, the process for rebuilding and repairing non-residential buildings should be undertaken with the appropriate advice from the local authority and specialist consultants and/or engineers depending on the site conditions and the work required.
- 24 All non-residential land use types have been included in the proposal and different types of landowners/land uses may require differing approaches:
 - Commercial/industrial property owners will need to liaise directly with their insurer. Specialist engineers may be required to undertake further assessments of the damage that has occurred.
 - Ministry of Education and their specialist consultants will determine any issues dealing with land and building damage associated with schools and the property on which they are located.
 - The District Health Board/Ministry of Health and their specialist consultants will manage any issues dealing with land and building damage associated with hospitals/medical care facilities and the property on which they are located.
 - Parks and reserves will be managed by the territorial authority and/or the Department of Conservation depending on land ownership. These organisations may engage specialist consultants to determine any issues regarding land and/or building damage resulting from the earthquakes. This applies particularly in the Port Hills where, many walking tracks remain closed due to the life safety risk issue posed by rockfall.
 - Other community facilities (eg, community halls, churches, sports grounds, and child care facilities) will be managed by their respective property owners or managing bodies. Where appropriate these owners/managers may need to liaise directly with their insurance companies and any specialist consultants/engineers.
 - Undeveloped land and or farm land properties that may subsequently have buildings developed on them may require technical inputs from local authorities and or site specific investigations or advice from specialist consultants/ engineers.

- 25 Where land issues are identified, it is likely that property owners will need to submit an appropriate geotechnical report with their building consent application in order for it to be processed.

Consultation

- 26 Treasury, Department of the Prime Minister and Cabinet and Department of Building and Housing were consulted on a draft of this paper and concur with the contents.
- 27 The Ministry of Health, Ministry of Education and Department of Conservation were also provided a draft of this paper and any comments received were taken into account in finalising the paper.

Financial implications

- 28 There are no financial implications arising from the proposals in this paper.

Human rights implications

- 29 The proposals in this paper are not inconsistent with the New Zealand Bill of Rights Act 1990, or the Human Rights Act 1993.

Legislative implications

- 30 There are no legislative implications arising from the proposals in this paper.

Regulatory impact analysis

- 31 A regulatory impact analysis is not required as proposals in this paper do not include any regulatory options.

Gender implications

- 32 There are no gender implications associated with the proposals in this paper.

Disability perspective

- 33 There are no disability implications associated with the proposals in this paper.

Publicity

- 34 I propose to announce the green zoning of approximately 8300 non-residential properties on Thursday 17 November 2011. Updates for the LandCheck, and CERA websites are being prepared in anticipation of the decisions in this paper.
- 35 A letter of advice will not be sent to the owners of the non-residential properties to inform them of their land's new green zone status. Because there is no single, reliable database identifying all owners and/or the occupiers of non-residential land in the affected areas, it is not practicable to send letters to the owners of all such properties.

Recommendations

36 It is recommended that Cabinet:

1. **note** that white (unzoned) non-residential properties in greater Christchurch including Kaiapoi, the Christchurch CBD and non-residential areas in the Port Hills and Lyttelton white areas can be zoned green to enable normal insurance and consenting processes to determine where rebuilding and/or repairs can occur;
2. **note** that it is necessary to provide clear guidance to currently unzoned non-residential property owners that they can progress as normal using the insurance processes and consenting procedures that apply to their properties (effectively extending and reconfirming the effect of the 12 September 2011 announcement of the interim process to enable non-residential owners to rebuild and repair if an appropriate geotechnical report is submitted with their building consent application);
3. **note** that communications about zoning will need to distinguish non-residential land, currently white, from residential land already zoned green so that non-residential land owners understand that specific engineering assessment of their land will be required and that such assessments may lead to detailed site specific geotechnical investigation and/or specific foundation design;
4. **agree** that approximately 8300 white, non-residential properties in greater Christchurch including Kaiapoi, the Christchurch CBD and non-residential areas in the Port Hills and Lyttelton white areas be zoned green as indicated in the hatched areas on the map in Attachment One; and
5. **agree** that two properties _____ from the white area also be zoned green as the suitability of these properties for green zoning has been confirmed in the course of ongoing checking of the detail of white area geospatial data files.
6. **note** that the Minister for Canterbury Earthquake Recovery will announce the new zoning on Thursday 17 November 2011.

Withheld under section 9(2)(a)



Hon Gerry Brownlee
Minister for Canterbury Earthquake Recovery

09, 11, 2011