

# CERA

## Canterbury Earthquake Recovery Authority

28 September 2011

Mayor Bob Parker  
Christchurch City Council  
PO Box 237  
Christchurch

Dear Bob

### **GOVERNMENT RESPONSE TO THE AUGUST DRAFT OF THE CENTRAL CITY PLAN**

The Government has asked me to provide Christchurch City Council with the Government response to the August draft of the Central City Plan (CCP) Recovery Plan.

The Government welcomes the release of the draft CCP in August and congratulates Christchurch City Council on being able to develop this comprehensive plan so quickly. It recognises the absolute commitment of your organisation, Ngāi Tahu, Environment Canterbury, and the Christchurch community to achieve this key milestone. The CCP not only provides the framework for the recovery of the Christchurch CBD but it is also critical to the wider regional recovery process.

The Government has a number of significant interests in the CCP both as a key partner in the funding of services and infrastructure in the CBD and because of the significance of greater Christchurch in delivering Government's national objectives such as economic growth. To assist you with the development of the draft Plan the Government has worked to provide one comprehensive response on the draft CCP.

We are looking forward to opportunities to discuss this response with you. I understand that this will commence with a meeting planned between central government officials and your Council to discuss the Government's response, on Thursday 29 September 2011. CERA will also be publishing it on our website to enable the wider community to access this information.

We are looking forward to working with your Council over the next months to enable you to finalise the draft CCP Recovery Plan for submission to the Minister.

Yours sincerely



Roger Sutton  
Chief Executive

Cc: Tony Marryatt & Michael Theelan, Christchurch City Council

## Government's position on draft Christchurch City Council 'draft Central City plan'

### Introduction

1. The Government welcomes the release of the draft Christchurch Central City Plan (the draft Plan) and congratulates Christchurch City Council, Ngāi Tahu, Environment Canterbury, and the Christchurch community for developing this comprehensive plan so quickly. The Government would like to take this opportunity to communicate its key points of interests, questions, priorities and expectations for the draft Plan. This submission should be viewed as the beginning of central government's engagement in the process to finalise the draft Plan.
2. The Government has confidence in Christchurch's future and knows this confidence is shared by the people of Canterbury. The central city plays a vital part in that future and the government supports the draft Plan's intention to enhance the central city, with a more focused CBD, as the heart of the city.
3. The draft Plan is a critical tool for implementing the Government's recently published draft Recovery Strategy. The Government will be engaging with Christchurch City Council (the Council) to ensure that the two are consistent with each other in terms of achieving the same overall outcomes and directions.

The Government's key messages in relation to the draft Plan relate to:

- The impact it will have on jobs, growth and productivity of the Canterbury region and how it will contribute to the economic growth goals of New Zealand.
- The creation of a competitive, prosperous and vibrant city. This would be measured by factors such as housing affordability, accessibility, effective transport integration, ease of doing business, attractiveness as a place to live and work, and the willingness of the private sector to invest.
- The extent to which, and how, the Council is considering the effectiveness of a full range of tools to deliver the draft Plan.
- Ensuring that the proposals are practical, affordable and the best use of ratepayers' and taxpayers' money.
- What the central city development will mean for the rest of Christchurch, the Canterbury region and New Zealand in terms of social, economic, environmental and cultural outcomes.

### ***Ongoing Engagement between Christchurch City Council and Central Government***

4. The Government is committed to a strong relationship with the Council, both at the official and political level, over the coming months as the draft Plan is finalised, and over subsequent years as it is implemented. This will be crucial to ensure that value for money is gained from investment and that opportunities are realised.
5. The Government recognises that the draft Plan is the first recovery plan to be developed and was produced in parallel to the draft Recovery Strategy with which it has to be consistent. Significant uncertainty remains about some critical elements, such as the insurance market and underlying scientific information, such as geotechnical reports on land conditions. Further information on some of these is likely ahead of the finalisation of the draft Plan. The need to provide some degree of certainty for community and investors needs to be balanced against appropriate phasing and prioritising of the implementation, given the investment costs and regulatory impact of the likely scale of changes. Getting this balance right will be a difficult balancing act and central government is committed to working constructively and openly with the Council to achieve this.
6. Ministers have therefore directed officials to engage with the Council on an ongoing basis as further analysis is carried out to support the finalisation of the draft Plan.

### **Central Government's role in the recovery of the central city**

7. The well-being of Christchurch citizens depends on the city centre being attractive, vibrant and prosperous. Internationally, cities are increasingly driving economic growth. Christchurch is New Zealand's second largest city and the Government has a strong interest in the future development of the Christchurch central city as part of the economic recovery of the wider city and Canterbury region.
8. Central government has a number of different interests in the draft Plan:
  - **Decision-making:** the Minister for Earthquake Recovery may make changes, withdraw all or part of the Recovery Plan or approve the Recovery Plan having regard to the impact, effect and funding implications of the Recovery Plan.
  - **Leadership role:** The draft Plan provides an opportunity for central government to demonstrate its support for the recovery effort and its belief in the future of the region, working alongside local government and the community. This shared leadership role will require some pragmatism and

flexibility from central government about the levels of certainty in information that are needed to proceed. This may include recognising that the costs of delay may mean, in certain circumstances, accepting lower certainty than would usually be expected while acting with appropriate care.

- **Investment and funding**– central government will be a key funder or partner for many of the areas of the plan and will also be responsible for the delivery of a number of the elements, including infrastructure investment and social services provision. Central government investment is likely to be a crucial factor in providing confidence to private sector investors.
- **Government policy interests:** Decisions on the future of the central city, associated land use and any regulatory or non-regulatory changes to deliver on these will have significant impacts within Christchurch and the Canterbury region on infrastructure investment and costs (both public and private provision); provision of choice in and affordability of quality housing; economic development and employment opportunities; the supply of commercial land and buildings; the quality of urban design, and environmental outcomes including hazard management. Central government has national policy interests in these areas.
- **Government service delivery and role as a central city tenant:** the response to the earthquake changed the way agencies and businesses operate and it has led to more coordination and innovation of service delivery. There are opportunities to learn from this to inform provision of services going forward. The draft Plan provides an opportunity to rethink how central government offices may be located within the city, including shared locations or clustering of social infrastructure and how government agencies' roles as an anchor tenant in the central city may help encourage other investment. Improved co-ordination and planning could reduce central government costs in the longer-term. Alternative delivery models may also be considered to improve the effectiveness of social services.
- **Ensuring consistency with the Recovery Strategy and other Recovery Plans:** Substantial investment will be influenced by the vision and directions contained in the range of recovery plans set out in the draft Recovery Strategy. These plans, including the draft Plan, need to be aligned and consistent with each other, as far as possible, to achieve the overall outcomes for the recovery set out in the Recovery Strategy. This will also help to ensure that works and programmes in recovery plans are efficient and effective and provide confidence to the community and investors.
- **Ensuring appropriate use of the Canterbury Earthquake Recovery plans** including the ability to make changes directly to other planning documents are used consistently with the powers set out in the Canterbury Earthquake Recovery Act 2011.

## Vision for the role of the Central City

Key issues for discussion and future engagement:

- What role will the central city play in the wider city, region and for New Zealand?
- To what extent is the Council proposing to privilege and/or prioritise investment in the central city over investment in the suburbs and periphery? What is the rationale for this? How will such investment in the central city and suburbs contribute to the future prosperity of both?
- Does the Council expect the region will maintain or grow its contribution to GDP and what role will the central city play in this?
- What likely return does the Council see for public and private investment in the recovery of central Christchurch and on what is this based?
- What is the Council's view on the timeframes for the recovery of the central city? Is the preference for a fast recovery with significant early public investment or a slower approach? What are the key milestones and path dependencies?
- How will the recovery and the key elements within the draft Plan be phased?

### Christchurch City Council vision:

9. The draft Plan sets out a vision of a central city that will be strong, vibrant and prosperous, at the heart of a 21<sup>st</sup> century Christchurch. It envisages a low-rise, resilient, safe and sustainable city, which is easy to get around, has a business friendly compact central area, an array of inviting green spaces and activities that draw people into the central City, and mixed use neighbourhoods.

### Government's comment

10. Internationally, cities are increasingly driving national economic growth and competing globally for skilled workers, international and innovative companies, and high value economic activities. Christchurch is New Zealand's second largest city, 12 per cent of New Zealand's employment<sup>1</sup>, with a share of approximately [eight] per cent of New Zealand's GDP<sup>2</sup>.
11. Vibrant, prosperous cities generally have central areas that provide attractive, higher density and mixed activities. These areas are often the preferred location for high-value, knowledge intensive services, as well as areas of cultural, educational and civic institutions. Greater concentrations of high-value services provide increased productivity gains.

<sup>1</sup> Based on employment numbers in Christchurch City, Waimakariri and Selwyn districts.

<sup>2</sup> Source: Infometrics Regional Database

12. Despite the destruction from the earthquakes, Government has confidence that the future of central Christchurch and its CBD will be a place that is attractive, vibrant and prosperous, playing a crucial role in supporting the competitiveness, growth and productivity of greater Christchurch and the Canterbury region. The liveability of the city will play an essential role in attracting investment and people with the skills to support the future growth of Christchurch. The central city will play a vital role in underpinning Christchurch's role as the tourism gateway to the South Island and supporting the international connections of the wider city.
13. Government notes that, prior to the Canterbury earthquakes, central Christchurch exhibited characteristics of successful central city. The Government welcomes the vision of a more concentrated CBD within the central city area that builds on previous strengths, alongside provision of a choice of residential options, to complement the economic strength of the surrounding suburbs and periphery.
14. The proposal to focus the CBD into a smaller area, with mixed use activity encouraged within the wider central city, provides an opportunity to increase the attractiveness of these areas to high-value business services and other activities that value such locations. It also provides an opportunity to develop a range of vibrant and mixed-use central areas, including increased residential and retail precincts. If implemented appropriately, the draft Plan can make an important contribution to the recovery of greater Christchurch, and the achievement of the Government's national economic growth, infrastructure, environmental, social and cultural objectives. The development of the draft Plan provides an opportunity for the Council and Government to identify and prioritise those initiatives that will make the most significant contributions to greater Christchurch's recovery, and to achieving national and regional outcomes and while addressing historic problems.

### **Engaging the Private Sector and the Community**

#### Key issues for discussion and future engagement:

- What confidence can the Council give the Government that the draft Plan is attractive businesses and likely to attract investment to the city?
- How do businesses view the draft Plan and does it provide them with sufficient assurance that the central city and CBD will be an attractive proposition for firms and works to invest in and to (re)locate to?
- Is the business community confident in the commercial viability of the proposed mix of commercial, retail and residential uses, and the proposed relocation of industrial uses?
- How will certainty on phasing of projects and changes be provided?

### Christchurch City Council position

15. In developing the draft Plan, the Council carried out a public engagement campaign, *Share an Idea*, aiming to maximise community involvement in the central city redevelopment. More than 100,000 ideas were shared during the six week campaign. Engagement with the private sector took place through workshops with representatives of key businesses and stakeholder groups.
16. The draft Plan anticipates that the private sector will invest up to 10 times more than central and local government in the recovery. This is mainly reflected in focus on the role of local and central government in funding of catalyst projects to stimulate private sector investment.

### Central government comment

17. The Government welcomes the strong community engagement that has fed into the development of the Plan and the innovative approaches that the Council has taken to engage effectively with a wide representation of the community. We also welcome the recognition of the crucial and very substantial role that the private sector, Te Runanga o Ngāi Tahu and the community will play in the successful implementation of the recovery of the central city and the delivery of the vision in the draft Plan.
18. The recovery of the central city provides the opportunity for innovative urban design, as well as new and delivery models to be developed. The Government is keen to see that these opportunities are seized.
19. For the successful implementation of the draft Plan, it is essential that local and international investors, in social and economic infrastructure and community, residential and commercial developments are confident in the draft Plan and the proposed viability of the rebuild and recovery. Realistic phasing of the implementation that recognises different lead-times for investment and clear communication of this within the draft Plan will provide greater certainty for investors.
20. Final geotechnical reports are needed to provide confidence that it is possible to rebuild within the CBD to withstand future seismic events without creating significant cost barriers to investors, such requiring foundation systems that would make rebuilding in the CBD uneconomical. The Government would like the Council to certify, as part of the next draft Plan, that the appropriate geotechnical investigations have been completed, verified, and that any changes arising from these investigations have been incorporated into the draft Plan. The draft plan should have a statement to this effect.

21. The Government would like to see greater recognition that much of the implementation of the draft Plan is likely to be undertaken in partnership or joint ventures and how this might occur. This will require consideration between the Council and central government of the need for possible special purpose delivery mechanisms and the appropriate resourcing and institutional arrangements to support collaboration. The Government will also want to be assured that the draft Plan creates the right incentives to ensure a flexible, adaptable and attractive place to invest, where people want to live, work and relax, and locals and tourists want to visit.
22. Government would like to work closely with the Council to understand the proposed regulatory changes in the draft Plan. The intention is to strike an appropriate balance between ensuring the economic feasibility of the rebuild, while delivering on the vision of improved urban design outcomes and a quality and sustainably managed built and natural environment.
23. In particular, the Government is concerned that some of the features of the draft Plan may impact on the attractiveness and economic feasibility of the rebuild, or do not adequately consider the need to future-proof the investment in the city. As an example, the draft Plan proposes a height limit within the CBD core of seven stories, although it is proposed that the District Plan could consider a greater number of stories on a case by case basis subject to some criteria. Height restrictions, combined with the likely need for expensive foundation systems to deal with land stability issues and the increase in building to higher standards may provide significant cost barriers. Insurers will pay out based on existing standards, therefore, any redevelopments are likely to face increased costs and new property investment may be hindered if necessary economic returns are not realisable.
24. There is also a risk that higher urban design and building standards could significantly increase the construction costs of buildings, both offices and hotels, and that this could impact on access to capital, yields from land plots, and, in turn, the pace of the rebuild. Much of this investment is global in its nature, especially office and hotel development, so Christchurch's attractiveness to private capital investment will need to be enduring.
25. Consideration of the proposed changes to the regulatory plan may also highlight other areas to better enable private sector investment or additional barriers that could be addressed, such as heritage regulations. Central government is committed to working with the Council to address any such barriers that might be identified.



## Tools for implementation – including regulatory changes and financial incentives

Key issues for discussion and future engagement:

- What is the overarching implementation strategy for the draft plan?
- What are the principles that will underpin decisions on which instruments to use in which circumstances?
- What assessment of the costs and impacts on investment for the central city and for the wider city of the proposed regulatory changes, such as restrictions on height and restrictions on suburban investment, has been carried out?
- How will regulatory changes, such as proposed design standards, support innovation and future-proofing of investment?
- How will the Council ensure that there is a strong connection between the actual obstacles faced by businesses and the incentives proposed to address those obstacles?

### Christchurch City Council position:

26. The draft Plan proposes three broad methods of implementation:

- Rebuilding (through replacing, restoring or, in some circumstances, enhancing) the core infrastructure necessary for the central city to function;
- Public investment in catalyst projects to help restore business confidence in the central city and to attract future residents; and
- Supporting private investment through providing a framework to guide private investment and to protect its value where possible through leadership, regulation, incentives and partnerships.

### Government's comment

27. The Government welcomes the Council's consideration of a wide range of tools for implementation. The Government will want to ensure that the Council develops an implementation framework, designed in consultation with central government and others that provides clarity on the principles and objectives that will be used in considering how a full range of regulatory and non-regulatory tools will be used to deliver the draft Plan, to guide public and private investment and to protect its value where possible. This is likely to include alternative funding models such as public-private partnerships for existing and new assets, well-designed incentives and economic instruments, and quality regulation.

28. Government will be looking to see that these tools are being used appropriately and in a balanced way and that their costs, including dead-weight costs, longer-term costs (including operational and maintenance costs) and funding implications are transparent and understood. An enduring and successful strategy will be one that pulls economic activity back to the central city, but also

grows economic activity in other areas. In some circumstances, where the benefits outweigh the costs, it may be appropriate that regulatory standards are strengthened (for example in relation to building codes). The inter-relationships between the different implementation tools will need to be understood including the overall incentives that they create for businesses and investors. Section 6 below sets out the considerations with respect to central government funding that should be applied.

29. Government will be looking to see that the opportunity is taken to make business easier to do in the central city, including attracting business and residents back, but not at the expense of business investment in the suburbs and periphery. It will be important that the draft Plan recognises the different economic and social role that the CBD, central city, suburbs and urban periphery play and the different needs in each of these areas. The Government expects that this would include the Plan having a flexible approach so that it is permissive and accommodates innovative ideas and ways of doing business and reducing the regulatory burden for building and resource consent processes. We will also be looking to see that it encourages a positive, proactive and collaborative approach to working with the full range of stakeholders, both public and private.
30. The Government consider the draft Plan should outline the priorities for transport investment in both central city and the wider council network, the options considered, their optimal sequencing and the different cost and funding scenarios. It is also critical that the draft Plan's proposed vision, mix of options and concepts are rigorously tested as soon as possible, particularly those in relation to transport, through detailed studies and modelling to determine whether they achieve the Council's objective of an effective and accessible central city for people and all forms of transport.
31. It appears that to make some aspects of the draft Plan effective, land amalgamation will be necessary but currently no detail is provided on the model proposed or how it would work, including who will own the land during and after amalgamation. The Government needs to understand if the Council has any expectation that there will be compulsory land acquisition, beyond the usual local government powers and processes, and what the expectation of central government involvement in this is. The Government is committed to working with the Council to ensure an integrated package of tools is available, including considering whether new tools or mechanisms may be necessary.
32. The Government acknowledges that the Canterbury Earthquake Recovery Act 2011 provides the levers to make changes directly to the statutory instruments, including RMA plans that provide the regulatory context to enable and manage development in Christchurch. The Government considers that these powers should be used appropriately, to support the delivery of the recovery plan, to

reduce regulatory burdens to businesses and to remove barriers to investment, while ensuring that a quality built and natural environment is achieved. Appropriate regulation, that is well executed, will be important to contributing to the rebuilding of public confidence, including for investors.

33. The Government notes that some of the technical changes to the District Plan may be outside of the scope of a draft CBD Recovery Plan, under the Canterbury Earthquake Recovery Act. For example, proposals to amend the District Plan in relation to matters outside of the scope of the definition of the central city (for example in the suburbs). The Council needs to ensure that any changes proposed are within the scope of the Act, while acknowledging the need to ensure the draft Plan considers how the central city will interact with the wider city and greater Christchurch. The Government is committed to working closely with the Council to achieve this.

### **Central Government Funding**

Key issues for discussion and future engagement:

- What are the priorities for funding from the Council's perspective and options for sequencing?
- What are the different costs and funding scenarios?
- Are there synergies from a funding perspective between projects and how will these be considered in further development of projects and analysis of business cases?

### **Christchurch City Council position**

34. The draft Plan acknowledges the key role that central government will play, alongside the Council, in providing the investment and leadership to successfully deliver the Plan.

### **Central Government comment**

35. The Government is committed to supporting the rebuild of Christchurch and has set aside a substantial amount for investment in the short to medium term through the \$5.5 billion Canterbury Earthquake Recovery Fund. This fund covers:
- The Government's share of repairing essential local infrastructure - mainly water and roading infrastructure.
  - Repairing state owned assets such as schools and hospitals.
  - Welfare support through job loss cover and wage subsidies, as well as costs relating to the immediate response to the emergency.

- Further policy decisions that may be taken to support the recovery in the future.
36. Requests for further Government assistance will need to be carefully evaluated and a number of factors taken into account. As outlined in the draft Recovery Strategy, a balance needs to be struck between prioritising projects and funding that directly support the recovery of essential infrastructure services for Christchurch residents, repairs to damaged infrastructure, including improving its quality, and on supporting additional projects and activities that will aid the recovery and enhancement of the regional economy. Activities that fall beyond the repair classification will be subject to their own business case processes.
37. It would also be helpful if the draft Plan could set out scenarios of additional ratepayer and government funding required to implement the plan (including the impact on rates), based on different balances of ratepayer and Crown funding. The draft Plan should also provide a prioritisation of expenditure, for example identifying what is considered essential and what is not. These assessments and scenarios will be part of the close engagement that Government and the Council will need to understand the public funding impacts, options and timing implications.
38. The Government recognises that these are extraordinary times and so will be ensuring that its processes, including business case assessments, are fit for purpose, are focused on facilitating the right outcomes, and do not provide unnecessary delays to essential projects. We will also work with the Council to ensure that, where appropriate, individual projects will be considered in the context of the broader suite of projects outlined in the draft Plan. This is likely to consider any (positive or negative) path dependencies that may be created and how due weight can be given to the impact that they will have individually and cumulatively on ensuring that a strong, attractive and resilient central city and greater Christchurch is created.
39. Both the Council and central Government are facing a number of competing priorities for investment. As we have outlined through the National Infrastructure Plan, the Government is focused on ensuring the right infrastructure is available at the right time and that it is supported by a robust investment analysis.
40. The Government must also weigh-up where it is appropriate that the costs of projects are met through local sources, such as where most of the benefits accrue to the local community, or where, because of the potential for wider economic benefit to New Zealand, it is appropriate that tax payers meet some or all of the costs of the investment. There are a range of approaches that can be considered for funding redevelopment. There is likely to be a role for public private partnerships and other mechanisms to help share risk and reward.

41. While noting the range of funding sources mentioned, a significant portion of the investment required to implement this plan will fall to ratepayers to fund. In finalising the plan, the Council may find it useful to present two or more high level options representing different levels of ratepayer contribution, so that ratepayers can make informed choices about the way forward.
42. Due to the funding constraints faced by both central and local government and the capacity available in the construction sector, all infrastructure projects will not be able to be undertaken at once. Therefore, ensuring that there is a well understood process for the sequencing and prioritisation of projects is critical. This will ensure that projects that have the greatest potential to aid the recovery process or provide a boost to the local economy, such as signalling and building confidence and momentum in recovery, are placed at the front of the queue. The Government will be looking to work with the Council to provide greater confidence about the likely return on any Crown or local government investment.

### **Key Areas of Interest**

#### ***Business environment and economic growth***

43. To provide the basis for a sustained economic recovery, Christchurch needs to be a great environment for doing business. Steps towards this will include:
- Providing investment certainty for existing and potential new businesses with respect to how existing rights, including property and use rights, will be treated and new proposals will be evaluated
  - Clarity around the prioritisation and phasing of infrastructure investment and catalyst projects
  - Having a flexible and enabling approach so that the draft Plan accommodates innovative ideas and ways of doing business
  - Reducing the regulatory burden for consent processes (both building and resource consenting)
  - Developing an Economic Recovery Plan
44. The Government will be looking to see the evidence to support the draft Plan's aspirations and projects and the assumptions that sit behind these. Government is encouraged by the range of initiatives to support business re-establishing in the central city, including those that seek to provide additional productivity benefits including the EPIC initiative, increased presence of tertiary institutions in the central city, greater concentration of the commercial area and the redevelopment of the hospital campus and wider medical precinct. The Government is committed to playing its part as an employer, through re-establishing in the central city and CBD, where appropriate, and will work with the Council to understand the role that it can play as a key tenant.

45. The draft Plan needs to make a stronger connection between the role of the central city with Christchurch, regionally (Canterbury and South Island) and nationally. Christchurch is an important centre for high value manufacturing and innovation; provides business services to the rest of the region and South Island and is the southern gateway for tourism. The draft plan signals an important role in retaining and rebuilding this role, but should provide more detail to identify some of these connections and aspirations more clearly e.g. hotel accommodation and its relationship with the main recovery projects.
46. The Government will also be looking to see that the proposals in the draft Plan for revitalising the central city achieve a suitable balance between investment in the central city area while not restricting the choice of housing, commercial or business options available in other locations outside of the central city. This includes ensuring that if industrial activities within the central city area are expected to relocate, then adequate provision of suitable land needs to be provided within greater Christchurch and reflected in the relevant recovery plans. It will be important that the draft Plan and other recovery plans consider the interaction with the planning for the wider city and greater Christchurch region, as was considered in the development of the Christchurch Urban Development Strategy.
47. Government is pleased to see that the draft Plan presents opportunities for large scale redevelopments that might assist in attracting new investment capital, including the signalling of a greater role for the central city area in tourism. One area that was previously performing strongly in Christchurch's central city were conventions and conferences which had very strong market share and earnings, with Christchurch having become New Zealand's largest conference venue. The inclusion in the draft Plan of the replacement and improvement of lost facilities provides an opportunity to build on this previous strength and use it as a catalyst for hotel redevelopment, increasing and improving tourist accommodation capacity, business travel and retail spillovers.
48. As set out above, it is important that the improvements to amenity proposed through changes in urban design are implemented in a manner that attracts commercial investment. Government will be looking to see business support for the draft Plan. Service industries, particularly education and tourism play an important role in the Canterbury and New Zealand economies. It appears that these industries have been harder hit in Christchurch and Government will want to understand what role the proposals in the draft Plan will play in re-invigorating these sectors and whether additional measures will need to be put in place.

### ***Employment and skills***

49. The Government considers that the Plan needs a clearer focus on employment opportunities and challenges outside of the direct levers that central and local government have. Government notes that this aspect of the Plan is likely to have strong linkages with the development of an Economic Recovery Plan for the region
50. Government expects agencies and key stakeholders such as employers to work together to identify, develop and retain the skills and labour needed for the immediate rebuild, the wider recovery and long-term economic development plan for the Canterbury region. Central to this will be the Canterbury Employment and Skills Board (CESB), whose role is to bring together the supply and demand sides of the local labour market. In conjunction with the Canterbury Economic Recovery Authority and the Canterbury Development Corporation, the CESB will develop a ten-year strategic labour market and skills plan that will ensure the Christchurch economy can grow and prosper.
51. Government is committed to ensuring that firms will have easy access to skilled migrants where no suitable New Zealanders are available, through Immigration New Zealand's processes.

### ***Other areas of interest***

52. Annex 1 sets out other areas of priority interest for the Government in the draft Plan.

### **Ensuring the Outcomes Sought are Delivered**

53. It is important that, as the draft Plan is developed, approved and implemented, it is not regarded as locked in stone but instead is updated in the light of new and emerging evidence so that it remains relevant and fit for purpose. New information could include but not be limited to:
- Geotechnical information on land conditions
  - Changes in technology that could make some previously marginal options viable
  - Population projections for Christchurch
  - The success of attracting business investment and residential development within the city centre
  - Principles for implementation to enable the assessment of the impact regulatory controls and evaluation of proposals within the Plan.
54. Christchurch residents require a level of certainty about how the central city will be re-developed but this needs to be balanced against a changing environment requiring us to remain flexible and adaptable.

55. It is also important to remember that while the projects and approach set out by the Council in the draft Plan is one approach, it is not the only way of achieving the desired outcomes. Government and Council will need to remain open to alternative options for achieving such goals as housing affordability, returning a population base to the central city, ensuring access into, through and within the central city, and encouraging private sector investment. The development of the business cases for Government funding and the underlying evidence base will support this work.

### **Process for development and adoption of the draft Plan**

56. The Canterbury Earthquake Recovery Act 2011 (the Act) requires CERA to develop a draft Recovery Strategy to provide the overarching direction for the reconstruction, rebuilding, and long-term recovery of greater Christchurch. An initial draft has been released.

57. The Act requires the Council to develop a Recovery Plan for the Central Business District (defined as being within the four avenues and Harper Ave and, therefore, larger than the City Centre). The Canterbury Earthquake Recovery Act allows a Central Business District recovery plan, as with other recovery plans, to make changes directly to Resource Management Act (RMA) plans without going through the RMA's Schedule 1 processes. There is no right of appeal to these changes.

58. At the end of the Council's development process the Minister for Canterbury Earthquake Recovery (the Minister) may, in accordance with section 21 of the Act, make changes, withdraw all or part of the Recovery Plan or approve the Recovery Plan having regard to the impact, effect and funding implications of the Recovery Plan. The Minister must give reasons. There is no right of appeal to the Minister's decision. Recovery Plans, such as the draft Plan, must be consistent with an approved Recovery Strategy. Therefore, the Minister, as part of his or her decision making process will need to consider how the draft Plan provided by the Council is consistent with the final Recovery Strategy. The Minister will also be looking at whether the Plan is consistent with other recovery plans and programmes.



## **ANNEX 1: Additional areas of interest**

### ***a. Urban form, urban design and hazard management***

1. As set out above, the Government has a strong interest in the future development of the central city as part of the economic and social recovery of the wider city and Canterbury region. It will be looking to the Council to understand how the vision for the central city supports the wider vision for the recovery of greater Christchurch, as set out in the Recovery Strategy and as will be further developed through additional recovery plans.
2. The Government will also be keen to see that the spatial impacts of the vision for the central city on the overall urban form for greater Christchurch are appropriate and support the continued economic and social development of the region. As part of this, as set out above, the Government will work with the Council to understand how its proposed implementation framework will future proof its city centre, and enable it to be attractive to citizens, visitors and private sector investment.
3. Government welcomes the draft Plan's recognition of the role of urban design in the central city in improving public safety and crime prevention outcomes, as a safe and accessible central city will encourage residents, people from the wider region and visitors.
4. Government welcomes the Council's commitment to rebuilding the central city as a more resilient place. The Government will be looking to see that this aspiration addresses both seismic-related hazards, but also considers other natural hazards including increased flood risk from changes in land and water-table levels. The rebuild of Christchurch also provides the opportunity to improve the resilience of infrastructure and buildings to longer-term and emerging hazards including those arising from climate change.
5. It will be important that the rebuild of the central city continues to maintain a clean health and safety record.

### ***b. Transport***

6. The Government supports the consideration given to all transport modes within the draft Plan, and the concept of a central that is easy to get around. It is also important that access into, through and around the city centre is ensured and overall network accessibility is supported.
7. The Government will want to better understand the supporting information needed to assess whether the proposed transport network will achieve the outcomes envisioned by the draft Plan. The transport system plays an important

role in the success of a thriving central city and greater Christchurch, and should provide safe and efficient links between the various activity areas identified in the draft Plan. In addition to this, consideration should be given to the impacts of the proposed changes to land use in the central city and the transport network on the functioning of greater Christchurch. The development and implementation of the draft Plan should be informed by an understanding of how the local transport network is integrated with wider regional and national networks (including Roads of National Significance), especially in relation to access to and from key industrial and commercial areas and the movement of freight.

8. Central Government and the Council will need to work together to identify a funding plan necessary to implement the transport proposals within the draft Plan, including the partners, funding sources and implications of rates and taxpayers. The majority of the transport proposals have identified the NZTA as a partner and the Government encourages cooperative dialogue between the Council, CERA, ECAN, the Ministry of Transport and NZTA.
9. Transport activities and projects will need to be prioritised and classified as repair, recovery or enhancement. Proposals will generally be considered through the National Land Transport Fund (NLTF) processes. Projects that fall outside the NLTF, for example light rail, will be considered through central government funding processes. In particular, the proposed light rail development would be evaluated in line with metro rail evaluation processes and would need to be supported by a robust business case in accordance with government's Better Business Case guidelines.

### ***c. Housing***

10. The Government supports increasing the supply of housing options for residents through providing greater choice in housing types and locations in the central city, including the provision of social and affordable housing and a range of tenure options. Part of this will be encouraging the reuse and adaptive use of the building stock that remains serviceable or is able to be economically repaired. The development of expanded residential zones within the central city given the proposed smaller retail and commercial footprint, is one potential means of achieving this, alongside other housing options throughout greater Christchurch.
11. The draft Plan proposes incentives for central city residential development for both private and social housing. The Government is keen to understand the impact of these incentives on housing affordability, sustainability and choice and residential land supply in suburban and peripheral areas and how these incentives will be funded. The Government will also be looking to see emphasis put on how to increase the responsiveness of housing supply, as the incentives are focused on increasing demand for central city living.

#### ***d. Supporting social cohesion***

12. Rebuild of the physical infrastructure needs to be coordinated with the activities that will rebuild the social fabric of the city. Co-ordinated planning should ensure Christchurch has the range of skills and services it needs now and in the future.
13. Creating a central city with a wider representation of residential options and increased numbers of residents represents a significant change for Christchurch. The draft Plan envisages that the central city will attract a wide range of residents, including attracting families back into the area. To achieve this, it must be a realistic alternative to living in the suburbs.
14. The physical rebuild of the central city needs to incorporate the appropriate social infrastructure. The proposed urban form must support a high level of access to local services and amenities that is appropriate for a diverse population (ie people with disabilities, the elderly and young children).
15. Government will be looking to see community support for the draft Plan. In particular, we need to get a sense of who might live in the central city and from where these people will come. This will be important in planning to meet future service demand.
16. Alongside the rebuild, there are opportunities for collaboration, co-ordination, innovation and better integration in the delivery of social services that can build on the lessons learned from the changes forced to agencies' operations by the earthquakes. In some cases this may lead to a more devolved delivery model, such as ensuring the providers of services are located near where the need has been identified and considering the role of community organisations.
17. For example, the response to the earthquake has changed the way agencies across health operate and it has led to more coordination, greater integration and innovation of health service delivery. 'Putting people at the centre of redevelopment' as outlined in the draft Plan is a key feature of health service delivery, and is well aligned with the approach being taken to current and future health service delivery.
18. The Government is currently considering a proposal for the redevelopment of Christchurch hospital, which provides local and specialist hospital services for the greater Canterbury region and the rest of the South Island. The proposal to redevelop the hospital will be considered in the established capital development processes by the Minister of Health. The draft Plan will need to be properly integrated with the decisions on the redevelopment of Christchurch Hospital.

#### ***e. Education***

19. The Government notes that the draft Plan provides a number of proposals around the provision of education within the central business district, such as encouraging tertiary education institutes into the city and removal of education zoning requirements. The Government is developing an Education Renewal Recovery Plan, which is expected to consider the delivery of education in the region over the medium to long term.
20. The Government will want to work with the Council to better understand the rationale and evidence behind the proposals in the draft Plan and to explore how these or other options can work with the Ministry of Education's needs to manage demand and supply of education services of inner city residents as well as greater Christchurch. It will be important that any education initiatives align with the Education Renewal Recovery Plan. Given the potential for demographic change in Christchurch, the Ministry for Education will be reviewing all zoning requirements across greater Christchurch. This is, however, unlikely to result in full removal of zoning requirements.
21. The Government also notes that the proposed higher level of residential occupancy in the central city will potentially impact on the level of education provision required in that area. The Government will want to work closely with the Council to ensure that suitable land and space is set aside for this.

***f. Culture, Heritage, Sport and Recreation***

22. The draft Plan recognises cultural, sporting and recreational activities are significant reasons why people live in Christchurch and visitors are drawn to the region. It provides for restoring and extending arts, cultural, heritage, sporting and recreational activities to achieve objectives that include: shaping the central city's distinctive character and attracting visitors; stimulating the local economy through creative businesses; and ensuring local communities enjoy high quality engagement with one another and the urban environment.
23. Meeting these objectives will require resourcing from central Government, the Council and other partners. The Government is concerned to ensure any contributions it makes are well targeted, carefully aligned with other recovery initiatives to avoid gaps and duplication, and based on agreed priorities for short and long term development. It will also be looking to see consideration of a range of options and locations to ensure that the best value for investment is gained.
24. The plan seeks to establish an Earthquake Memorial and Earthquake Preparedness and Information Centre. The Government will wish to work with the Council to ensure these projects align with wider government involvement in commemorations and museum developments. The former, in particular, will be seen as a national memorial and it is appropriate that central government works with the Council on the concept brief and design procurement.

**25.** The draft Plan seeks to ensure the restoration and adaptive reuse of key heritage buildings. The Government endorses this objective, and wishes to ensure that changes to the District Plan facilitate conservation by enabling a wide range of design approaches, including creative reuse and redevelopment. The Government seeks to work with the Council to ensure key heritage buildings are retained, safe and sustainable.