

## Office of the Minister for Canterbury Earthquake Recovery

Memorandum for Cabinet

## DECISIONS ON REMAINING CANTERBURY ORANGE ZONES

### Purpose

- 1 This paper seeks decisions to rezone most of the remaining Canterbury Earthquake Orange Zones. It also seeks agreement to extend the government offer to purchase insured residential properties to the proposed new Red zone at Brooklands. It proposes that rezoning announcements be made on Thursday 17 November 2011.

### Executive summary

- 2 An estimated 1,666 residential properties in Christchurch remain Orange zoned.
- 3 To provide certainty to these residents and allow them to commence discussions with EQC and their insurers, Cabinet is asked to agree to proposals to:
  - rezone some of the remaining Orange zoned land Green
  - to rezone Brooklands Red
  - note that further analysis and discussions are required with Tonkin and Taylor, Christchurch City Council and the Department of Building and Housing about 33 properties in Avonside, 88 properties in Wainoni and 401 properties in Southshore West before a recommendation can be made. Officials expect that, based on advice, a recommendation for rezoning these areas could be provided to Ministers with Power to Act, in time for a decision to be incorporated into the announcements on Thursday 17 November.
- 4 I intend announcing these decisions on Thursday 17 November at the same time that I propose to announce decisions on Green-zoning approximately 8,300 non-residential properties in the White zone.

### Background

#### *Previous Zoning Decisions*

- 5 In the initial Canterbury Earthquake zoning announcements on 23 June 2011, Orange Zones were established for areas which required further work to determine the appropriate permanent zoning category. Zones were established based on the severity and extent of land damage, the cost-effectiveness and social impacts of land remediation.
- 6 Criteria were previously agreed by Cabinet to classify areas as either Red Zones or Green Zones [CAB Min (11) 24/15 refers]. Red Zones have been declared in areas where there is area-wide damage (implying an area-wide solution) and an engineering

solution to remediate the land damage would be uncertain, disruptive, not timely, nor cost effective. Green Zones have been declared in areas where land damage can be repaired on an individual basis as part of the normal insurance process.

- 7 Following subsequent re-zoning announcements for 943 properties in Kaiapoi on 18 August 2011 and for 6,430 properties across Greater Christchurch on 28 October 2011, there is currently an estimated 1,666 properties in the remaining Orange zones. Cabinet previously noted that further work was required in these remaining areas to determine appropriate zoning [CAB Min (11) 39/4].

*Power to Act*

- 8 Cabinet previously 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 to take decisions on reclassifying the Orange Zone areas until 25 February 2012 [CAB Min (11) 34/19 refers]. I have decided to take these decisions to Cabinet because of the significance of the remaining decisions, proximity to the date of the general election and the high degree of public interest expected in the proposed announcement.

*Guidance on Foundation Designs*

- 9 Important to making decisions on Orange Zones is confidence that there are foundation solutions available for the rebuilding of damaged properties. Three new technical land categories, describing the likely effects of liquefaction related settlement in any future damaging earthquake, and corresponding guidance on the process for rebuilding were announced on 28 October 2011. More specific guidelines for rebuilding on land in Technical Categories 1 & 2 are due to be released by the Department of Building and Housing in November, with Technical Category 3 guidance material due in February 2012.
- 10 Most of the remaining Orange zone properties are in Technical Category 3, which means they will 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 and/or enhanced foundations.

**Rezoning decisions**

- 11 Further information has been provided by Tonkin & Taylor (T&T) for most of the remaining Orange areas. The remaining Orange zones are amongst the most challenging to rezone because of the nature of land damage (e.g., moderate to severe lateral spreading), the nature and extent of land remediation works required, the extent of damage suffered to properties, and/or the location of some remaining sub-zones in Flood Management Areas. For some areas around Avonside and Wainoni, further information is needed before a decision can be made on their rezoning. For some areas requiring area wide treatments, further work is required to determine the scope of necessary works and how they will be undertaken.
- 12 The following sections discuss:
- 12.1 Areas which can be rezoned Green on the basis that individual solutions are possible

12.2 Other areas proposed for Green-zoning where area-wide works will be required to remediate all or some of the land before rebuilding work can commence; and

12.3 Areas that meet the Red-zone criteria.

**Areas which can be zoned Green on the basis that individual solutions are possible**

- 13 Much of greater Christchurch has already been zoned Green on the basis that there are no significant issues which prevent rebuilding in these areas. A key factor is that, even though land on some properties may be damaged, most properties can be repaired on an individual basis as part of the normal insurance process. In some cases, some land may be assessed by EQC as not economic to repair and such properties will receive the EQC land cap payment in lieu of repair. EQC may also refuse natural hazard cover to these same properties in the future.
- 14 Further geotechnical investigation of the remaining Orange subzones has revealed that a number of the remaining areas can be repaired on an individual basis. Consistent with past decisions, I propose that these areas (containing 475 residential properties), be rezoned Green (described in Appendix 1). This decision will provide certainty for property owners about the future of their land and will enable them to work with their insurer and EQC to repair, rebuild or replace their properties.
- 15 Tonkin and Taylor's advice that individual solutions are possible comes with a number of caveats. In some areas (e.g., part of Avonside, Dallington, South New Brighton, Woolston, part of Linwood), Tonkin and Taylor advise that deep piles and/or robust raft foundations may be required and, as with other properties in Technical Category 3, may be more costly to repair and rebuild.
- *At Kaiapoi West 2*, individual land and property repairs are feasible provided there are suitable repairs to nearby drainage channels which have caused localised lateral spreading. Officials have discussed the need for these repairs with Waimakariri District Council, whose officials have indicated the Council's readiness to support necessary works.
  - *At Parklands*, coordinated ground treatment or stabilisation of a storm water detention swale and pond is likely to be the most effective and efficient option for getting land to a buildable state. Officials have discussed the need for this work with Christchurch City Council, whose officials have indicated the Council's readiness to support necessary works.
  - *In other areas*, there may be pockets of properties where there are some benefits from coordination of land works across adjacent properties to stabilise or repair land (e.g., reduced costs, improved land performance).
- 16 In the cases of Kaiapoi West 2 and Parklands, the Crown will likely share some of the infrastructure repair costs under existing cost-sharing arrangements between central and local government. The cost of additional improvements should be shared between those who benefit, such as ratepayers and beneficial property owners.

**Along the Avon River (Richmond South, Central City – River South, Linwood)**

- 17 Richmond South (144 properties), part of Central City – River South (79 properties), and part of Linwood (29 properties) are stretches along the Avon ( see the table in Appendix 2) where there has been extensive lateral spreading towards the river.

- 18 Tonkin and Taylor advises that perimeter treatment is required before properties can be repaired on an individual basis. The likely cost of perimeter treatment in each of these areas is estimated at \$6.2m in Richmond South, \$4.7m in Central City and \$2.2m in Linwood.
- 19 Based on the available information, these areas do not meet the Red zone criteria and are cost effective and practical to remediate. On this basis, I propose that these areas be Green-zoned. As with a number of other areas proposed for Green-zoning, some areas may require deep piles and/or enhanced foundations, which may add to the cost of repair.

#### **Wainoni, parts of Avonside and Southshore**

- 20 Some areas within Avonside, Wainoni and Southshore West require further analysis before a recommendation can be made. Of interest are 33 properties in Avonside, 88 properties in Wainoni and 401 in Southshore West. Further analysis, including discussions with Tonkin and Taylor, the Christchurch City Council and the Department of Building and Housing, is required before a recommendation can be made.
- 21 Officials expect that, based on advice, a recommendation for rezoning these areas could be provided to Ministers with Power to Act, in time for a decision to be incorporated into the announcements on Thursday 17 November.

#### **Areas which meet the Red Zone criteria**

- 22 Red Zones have previously been declared in areas where [CAB Min (11) 24/15 and CAB Min (11) 30/18]:
- 22.1 there is area-wide land damage, thereby implying some sort of area-wide solution; and
- 22.2 an engineering solution to remediate the land damage would:
- 22.2.1 be uncertain in terms of detailed design, its success and its possible commencement, given the ongoing seismic activity;
- 22.2.2 be disruptive for landowners, as the commencement date is uncertain (both in terms of confidence in the land settling sufficiently to begin remediation and the need to sequence the many areas where remediation would be required), and the length of time they would need to be out of their homes to allow remediation to occur and new homes built;
- 22.2.3 not be timely: for example there is also substantial replacement of infrastructure required and/or the land level needs to be significantly lifted effectively requiring work equivalent to the development of a new subdivision, and would probably lead to significant social dislocation for those communities in the short-to-medium term
- 22.2.4 not be cost effective: the cost of remediation is greater than the value of the land as shown below:

*Land reinstatement to pre-September condition*

+ <i>The betterment cost (i.e. perimeter treatment and/or additional raising of the land)</i> + <i>Infrastructure replacement<sup>1</sup></i> - <i>Decommissioning costs (infrastructure decommissioning and grassing)</i>	
<i>If the cost of the above exceeds the improvement in the value of the damaged land<sup>2</sup>, remediation is not cost-effective</i>	<i>If the cost of the above is less than the improvement in the value of the damaged land<sup>2</sup>, remediation may be cost-effective</i>

### Brooklands

- 23 In Brooklands (417 properties), there has been widespread liquefaction resulting in ground settlement. While T&T advise that individual solutions are possible for most of Brooklands, area-wide land remediation is expected to be significantly more efficient and effective owing to the substantial amounts of additional fill required (i.e., a medium fill thickness of 0.6 metres, and more than 0.9 metres is required in some cases) to repair the land to a consentable state. In addition, significant lateral spreading has occurred in part of Brooklands North-West and would require a perimeter wall to protect against future earthquake risk.
- 24 The extent of damage across Brooklands is comparable with the residential Red zones (68% of properties are classified as rebuild). In addition, there would be significant infrastructure repair costs (estimated at \$10.7 million). The table below presents estimates of the cost-effectiveness of area-wide land remediation, based on the formula noted in 31.2.4 above.

		Expected net cost of remediating		
		Lower bound	Mid point	Upper bound
Brooklands - 362 residential improved properties	Net cost	25,939,482	\$31,769,668	\$45,041,503
	% LV needed post remediation	47%	55%	74%

- 25 The above figures assume that property owners are required to build their land up to meet the 50 year flood level. This may be an optimistic figure as the Council may require additional fill for flood management either to grant a building consent or to avoid issuing a hazard notice. If area-wide fill to a higher land level is required, the costs increase further. For example, to meet the Flood Management Area levels, the mid-point estimate would rise by \$6 million. Officials advise that the Council would assess consents on a case-by-case basis and therefore it is not possible to have certainty about their consent requirements for the entire area in advance.

<sup>1</sup> Includes the infrastructure within the Orange Zones required to service the sub-zone area of interest (and excludes the cost to repair infrastructure required to service surrounding Green Zones)

<sup>2</sup> Despite the recent earthquake events, properties are likely to have some land value left. We assume there is 10% of the land value remaining in the properties.

- 26 These figures only consider the direct cost of remediating the land. There are a range of other costs that are not included in the analysis including the cost of temporary accommodation and maintaining the infrastructure in this area long term. Consequently, the figures above are an underestimate of the total cost of remediating these areas.
- 27 While the area appears to be cost effective to remediate, the impacts on residents of Green-zoning Brooklands would be at the worst end of the spectrum and remediating this area would be inconsistent with the government's rebuild objectives.<sup>1</sup> Given the significant amount of fill required to repair the land to a consentable state, and the large area over which the works would be required, I consider land remediation at Brooklands to be impractical. It is likely that many property owners would be unable to rebuild without the cooperation of their neighbours and the works would be intrusive and disruptive.
- 28 I therefore propose that Brooklands be rezoned as a Red zone, and that Cabinet agree to extend the government purchase offers to insured residential property owners. As with previous Red Zone offers, I consider that landowners should be able to defer acceptance of the offer up to 9 months from the date they receive the offer and with the opportunity to defer settlement up to 30 April 2013. The net cost to the Crown of the purchaser offer for these new Red Zone properties is estimated to be \$57.77 million (a gross cost of \$143.89 million less estimated insurance recoveries).<sup>2</sup> In addition, the Crown contribution to legal fees is estimated to be up to \$0.27 million. Additional costs include those for demolition of properties, the management of purchased land and transaction costs (estimated to be \$8.05 million).

### Final confirmation of zoning boundaries

- 29 Before decisions are announced, officials will undertake a detailed analysis of the rezoned areas to ensure that all Red/Green boundaries are sensibly drawn. While every care has been taken in formulating the recommendations in this paper, section-by-section analysis of the areas to be rezoned can sometimes identify individual properties that require reclassification. This detailed checking will be completed before announcements are made.
- 30 I propose that any decisions to confirm final zoning boundaries, together with decisions about the zoning of parts of Wainoni and Avonside, be made this week by Minister English, myself and Minister Joyce and that our Power to Act on Orange Zones [CAB Min (11) 34/19 refers] be extended to allow us to make decisions on red and green zone boundary issues. The property counts, maps, LandCheck and bulk mailing databases will be reconfirmed following the final confirmation of zoning boundaries.

### Consultation

- 31 Treasury, Department of the Prime Minister and Cabinet, and Department of Building and Housing were provided the opportunity to comment on a draft of this paper.

<sup>1</sup> The rebuild objectives include: certainty of outcome for home-owners as soon as practicable; confidence for people to be able to move forward with their lives; confidence in decision making processes (for home-owners, business-owners, insurers and investors); decisions based on the best available information; and having a simple process in order to provide clarity and support for land-owners, residents, and businesses in those areas.

<sup>2</sup> The ultimate cost will depend on: which of the two offers is accepted by property owners; and the amount of insurance recoveries received by the Crown under the purchase agreements.

- 32 Treasury supports the recommendations in this paper.

### **Financial implications**

- 33 CERA estimates the gross cost of purchase associated with the Brooklands Red Zone proposal to be \$143.887 million at a worst-case cost scenario. However, the Crown can also recognise the insurance receivables relating to the purchased properties. The exact quantum of these receivables is yet to be confirmed, but the net cost of purchasing these properties is estimated to be \$57.771 million. It is important to recognise that these costs could change depending on the interpretation of insurance policies and coverage.
- 34 The consequential impacts of the Red Zone decisions are as follows:
- 34.1 Providing a contribution towards the legal fees of property owners in the new Brooklands Red Zones is estimated to cost up to \$0.266 million.
- 34.2 Property transaction and management costs<sup>1</sup> of \$8.053 million.
- 35 The net costs of purchasing these properties (including associated costs) will be a charge against the Canterbury Earthquake Recovery Fund (CERF). The decisions in this paper are included in the central forecast of land costs in the CERF and have no impact on the general contingency within the CERF. The CERF was established in Budget 2011 - therefore the decisions in this paper have no further impact on the fiscal aggregates.
- 36 The nature of the decisions that Ministers are taking in this paper would normally trigger requirements to follow the Better Business Case standard (Cabinet Office Circular CO 10(2) refers). Given the urgency of the timeframes this has not occurred and we recommend that the proposals in this paper be exempt from those requirements. To the extent that future capital proposals requiring Cabinet approval are needed, Treasury will work with CERA to develop business cases that, to the extent possible, are consistent with the business case standard but do not compromise decision making timelines.

### **Human rights implications**

- 37 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**

- 38 There are no legislative implications arising from this paper.

### **Regulatory impact and compliance cost statement**

- 39 A regulatory impact statement is not required at this time as there are no regulatory changes.

### **Gender implications**

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

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<sup>1</sup> Includes demolition

### Disability perspective

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

### Publicity

- 42 I propose to announce the re-zoning of the remaining Orange Zones on Thursday 17 November, subject to any decisions taken by Ministers with Power to Act to confirm the zoning boundaries. It is intended that these announcements would be made at the same time as decisions on the green zoning of approximately 8,300 non-residential properties, which is also being considered by Cabinet today.
- 43 Letters of notification, updating the LandCheck, and CERA websites are being prepared in anticipation of the decisions in this paper. Community meetings are being planned for residents in the affected areas. Door knocking is also being planned for the new Red Zone areas.
- 44 A letter of advice will be sent to all Orange Zone properties to inform them of their new land status. It will include a fact sheet on the DBH technical guidance.

### Recommendations

It is recommended that Cabinet:

#### *Background*

- 1 **Note** that on 23 June 2011, the Prime Minister and I announced four land damage zones for greater Christchurch;
- 2 **Note** 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 **Note** that, following recent zoning announcements on the 28 October 2011, an estimated 1,666 residential properties remain in Orange zones;
- 4 **Note** that Cabinet has previously 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 refers];

#### *Areas which can be zoned Green on the basis that individual solutions are possible*

- 5 **Note** 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;
- 6 **Note** that further geotechnical investigation of the Orange zones has revealed that properties in a number of the remaining Orange areas can be repaired on an individual basis;



- 7 **Agree** that 475 of the remaining Orange zone properties, as indicated on the table in Appendix 2, be rezoned Green on the basis that the best available information indicates individual land remediation solutions are possible;
- 8 **Note** that most of the properties to be rezoned Green under Recommendation 7 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 and/or enhanced foundation requirements;
- 9 **Note** that a number of specific areas to be Green zoned may benefit from coordinated land works, especially along waterways (e.g. where slumping has occurred);
- 10 **Note** that in two areas proposed for rezoning, Kaiapoi West 2 and Parklands, individual land and property repairs are feasible provided there are suitable repairs to nearby drainage channels which have caused localised lateral spreading;
- 11 **Note** that officials have held discussions with staff of Waimakariri District Council and Christchurch City Council, who have indicated the readiness of each council to undertake the repairs referred to in recommendation 10 above;

*Other areas proposed for Green-zoning*

- 12 **Note** that, in a small number of the remaining Orange areas (Richmond South, part of Central City – River South, and part of Linwood) engineering advice indicates that area-wide land remediation is the only practical option for returning some or all of the land to a buildable state;
- 13 **Note** that, unlike the Red zones, land remediation in Richmond South, part of Central City – River South and part of Linwood is assessed as being cost-effective and practical over the short-to-medium term, with a level of disruption that is not considered unreasonable;
- 14 **Agree** that 254 of the remaining Orange zone properties, as indicated in the Table in Appendix 2, be rezoned Green on the basis that the best available information indicates that individual solutions are generally possible subject to area-wide land remediation that is assessed as cost effective and practical in the short-to-medium term;
- 15 **Note** that the Minister for Canterbury Earthquake Recovery is awaiting advice from officials on the cost and impacts of area-wide land remediation in parts of Southshore West, Avonside and Wainoni which he expects to receive prior to 17 November 2011;
- 16 **Note** that decisions on the rezoning of the remaining parts of Southshore West, Avonside and Wainoni can be made by Ministers with Power to Act in time for the public announcement proposed for 17 November;
- 17 **Note** that the Minister for Canterbury Earthquake Recovery has directed the Canterbury Earthquake Recovery Authority to hold exploratory discussions with Christchurch City Council, Environment Canterbury and EQC on options for undertaking area-wide land treatment works in the areas noted in 12 above;
- 18 **Direct** officials from the Canterbury Earthquake Recovery Authority, in consultation with the Treasury, Department of the Prime Minister and Cabinet, and the Department of Building and Housing, to report back to Cabinet on 20 February 2012 on the outcomes

of the discussions noted in 17 above and to advise on what roles the Crown should play in facilitating area-wide remediation works;

*Areas which meet the Red Zone criteria*

- 19 **Note** that Red Zones have previously been declared in areas where there is area-wide damage (implying an area-wide solution) and an engineering solution to remediate the land damage would be uncertain, disruptive, not timely, nor cost effective [CAB Min (11) 24/15 and CAB Min (11) 30/18];
- 20 **Note** that while land in Brooklands appears cost effective to remediate that the impacts on residents would be at the worst end of the spectrum and would be inconsistent with the government's rebuild objectives;
- 21 **Note** that because of the significant fill required to repair the land to a consentable state, and the large number of properties over which the works would be required, land remediation would be impractical, intrusive and disruptive for residents;
- 22 **Agree** that the 417 properties at Brooklands as indicated in the table attached in Appendix 2 be rezoned Red;
- 23 **Agree** to extend the government offer to purchase to insured residential property owners in the new Red Zones in Brooklands agreed to in 22 above;
- 24 **Note** that in July 2011, Cabinet agreed to fund 50% of the legal fees to a maximum of \$750 for those insured residential property owners who accept the Crown's Option 1, and a maximum of \$500 for those who accept Option 2 [CAB Min (11) 27/12];

*Confirmation of zoning boundaries*

- 25 **Note** that, prior to the announcement of the decisions in this paper, further checking will occur to ensure the Red/Green boundary is drawn on a sensible basis;
- 26 **Agree** to extend the Power to Act granted to Minister English, myself and Minister Joyce on Orange Zones [CAB Min (11) 34/19 refers] to decisions on the drawing of Red/Green Zone boundaries;

*Financial Decisions*

- 27 **Note** that the gross cost of voluntarily purchasing properties in the new Brooklands Red Zone is estimated to be \$143.887 million, based on a worst-case cost scenario;
- 28 **Note** that the Crown can recognise insurance receivables relating to the purchased properties, but there is a high degree of uncertainty in the amount that can be potentially recovered;
- 29 **Note** that the net cost of purchasing properties in the new Brooklands Red Zone is estimated to be \$57.771 million;
- 30 **Note** that Ministers with Power to Act may make minor and technical changes to Red/Green Zone boundary changes prior to announcements;
- 31 **Approve** the following changes to appropriations to provide for the purchase of insured residential Red Zone properties related to recommendations 23 and 26, with a corresponding impact on the operating balance:

	\$m increase/(decrease)				
Vote Canterbury Earthquake Recovery	2011/12	2012/13	2013/14	2014/15	2015/16 & outyears
Minister for Canterbury Earthquake Recovery					
Non-Departmental Other Expense:					
Acquisition of Canterbury Red Zone properties	143.887	-	-	-	-

32 **Note** that the cost of providing a contribution towards legal fees to property owners in the Brooklands Red Zone is estimated to be \$0.266 million, based on a worst-case cost scenario;

33 **Approve** the following changes to appropriations to provide for contributions towards legal fees incurred by property owners for Red Zones referred to in Recommendations 23 and 26, with a corresponding impact on the operating balance:

	\$m increase/(decrease)				
Vote Canterbury Earthquake Recovery	2011/12	2012/13	2013/14	2014/15	2015/16 & outyears
Minister for Canterbury Earthquake Recovery					
Non-Departmental Other Expense:					
Contributions towards legal fees	0.266	-	-	-	-

34 **Note** that the management and demolition costs associated with voluntarily acquired Red Zone properties in recommendations 23 and 26 is estimated to be \$8.053 million;

35 **Approve** the following changes to appropriations to provide for transaction costs incurred by the Canterbury Earthquake Recovery Authority with third parties on behalf of the Crown, relating to the acquisition and management of voluntarily acquired Red Zone properties referred to in recommendations 23 and 26, with a corresponding impact on the operating balance:

	\$m increase/(decrease)				
Vote Canterbury Earthquake Recovery	2011/12	2012/13	2013/14	2014/15	2015/16 & outyears
Minister for Canterbury Earthquake Recovery					

SENSITIVE.

Non-Departmental Output Expense:					
Canterbury Earthquake Property Demolitions and Related Costs and Compensation	2.784	-	-	-	-
Departmental Output Expense:					
Management of Voluntarily Acquired Insured Residential Red Zone Properties (RDA)	0.157	-	-	-	-
Non-Departmental Other Expense:					
Management of Voluntarily Acquired Insured Residential Red Zone Properties	5.112	-	-	-	-
<b>Total Operating</b>	<b>8.053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

36 Agree that the proposed changes to the appropriations for 2011/12 in recommendations 31, 33 and 35 be included in the 2011/12 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

37 Agree that all the expenses (net of insurance recoveries where applicable) incurred under appropriations agreed in this paper be a charge against the Canterbury Earthquake Recovery Fund;

38 Note that officials will report to the Minister of Finance and the Minister for Canterbury Earthquake Recovery as part of the March Baseline Update with a revised forecast of expenditures once more is known about the purchase offer options chosen and insurance receipts;

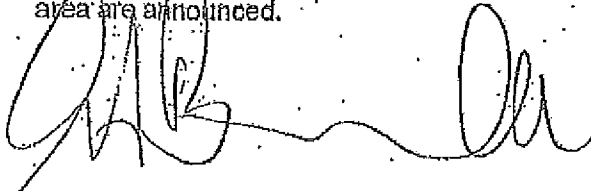
39 Authorise the Minister of Finance and the Minister for Canterbury Earthquake Recovery to have power to act to vary these appropriations prior to the March Baseline Update as a result of minor policy and technical issues in relation to the Red Zone offer of purchase;

Publicly

40 Note that I plan to announce the Orange rezoning decisions on Thursday 17 November, subject to any decisions taken by Ministers with Power to Act to confirm the zoning boundaries;

SENSITIVE

41 Note that I intend to make these announcements at the same time as decisions on Green-zoning approximately 8,300 non-residential properties in the White (unzoned) area are announced.



Hon Gerry Brownlee  
Minister for Canterbury Earthquake Recovery

10, 11, 2011

Released by the Minister for Canterbury Earthquake Recovery

## Appendix 1

### List of areas proposed for Green Zoning

Areas proposed for Green Zoning (individual repair possible)	Residential property count
Parts of Avonside	144
Part of Central City	38
Burwood – Horseshoe Lake	8
Burwood East – River side	31
Dallington	36
Kaiapoi West 2	27
Part of Linwood	24
Parklands – Puhara Ave	40
South New Brighton	101
Woolston	26
<b>TOTAL</b>	<b>475</b>

Areas proposed for Green Zoning (area-wide work needed)	Residential property count
Part of Central City	79
Part of Linwood	29
Richmond South	144
<b>TOTAL</b>	<b>254</b>

### List of areas proposed to remain Orange Zone for Joint Ministers to rezone next week

Areas proposed for remaining Orange at this stage	Residential property count
Parts of Avonside	33
Wainoni	88
Southshore West	401
<b>TOTAL</b>	<b>522</b>

### List of areas proposed for Red Zoning

Areas proposed for Red Zoning	Residential property count
Brooklands	417
<b>TOTAL</b>	<b>417</b>