

## Proactive Release

The following document is proactively released by the Department of the Prime Minister and Cabinet, on behalf of Hon Dr Megan Woods, Minister for Greater Christchurch Regeneration:

**Title:** Updated Draft Cabinet Paper Global Settlement with Christchurch City Council

**Reference:** DPMC-2019/20-193 and T2019/2750

**Date:** 11 September 2019

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### Key to redaction codes:

- section 9(2)(a), to protect the privacy of individuals;
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion;
- section 9(2)(i), to protect the Crown's commercial activity;
- section 18(d), is already, or soon to be publicly available.

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# Briefing

## UPDATED DRAFT CABINET PAPER: GLOBAL SETTLEMENT WITH CHRISTCHURCH CITY COUNCIL

To: Minister of Finance (Hon Grant Robertson) Minister for Greater Christchurch Regeneration (Hon Dr Megan Woods)			
Date	11/09/2019	Priority	Urgent
Deadline	12/09/2019	Briefing Number	DPMC-2019/20-193 T2019/2750

### Purpose

This briefing:

- provides you with an updated draft Cabinet paper, for lodging by 10am Thursday 12 September, to be considered by the Cabinet Economic Development Committee on Wednesday 18 September 2019, and
- s9(2)(i)

### Recommendations

We recommend that the Minister of Finance and Minister for Greater Christchurch Regeneration:

Hon Grant  
Robertson

Hon Dr  
Megan  
Woods

- note that, following the meeting between Minister Woods and the Mayor and Deputy Mayor of Christchurch on 30 August 2019, agreement has now been reached on outstanding matters relating to global settlement;

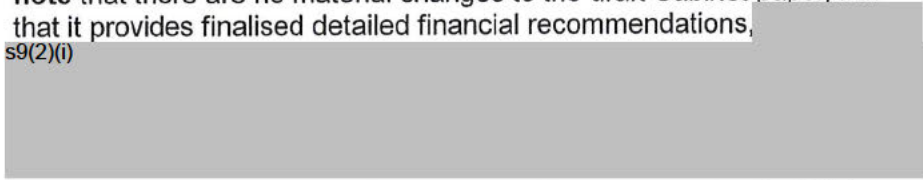
COMMERCIAL IN-CONFIDENCE

Hon Grant  
Robertson

Hon Dr  
Megan  
Woods

2. **note** that there are no material changes to the draft Cabinet paper, but that it provides finalised detailed financial recommendations,

s9(2)(i)



3. **agree** to lodge the attached Cabinet paper for consideration by DEV on Wednesday 18 September 2019, which has been updated following the Min/Mayor meeting ;

YES / NO YES / NO

4. s9(2)(i)



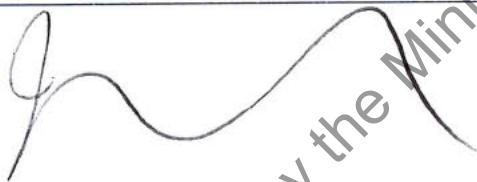
YES / NO YES / NO


5. s9(2)(i)



YES / NO YES / NO

6. **note** that we will provide you with further advice seeking decisions needed to enable the final GSA to be signed, should Cabinet reach the decisions sought in the attached draft Cabinet paper.

 James Beard <b>Acting Deputy Secretary Macroeconomics and Growth The Treasury</b> ...../...../2019
Hon Grant Robertson <b>Minister of Finance</b> ...../...../2019

 Anne Shaw <b>Executive Director Greater Christchurch Group Department of the Prime Minister and Cabinet</b> ...../...../2019
Hon Dr Megan Woods <b>Minister for Greater Christchurch Regeneration</b> ...../...../2019

Contact for telephone discussion if required:

Name	Position	Telephone	1st contact
James Beard	Acting Deputy Secretary, Macroeconomics and Growth, the Treasury	s9(2)(a)	✓
Anne Shaw	Executive Director, Greater Christchurch Group		

Ministers' office comments:

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

Proactively Released by the Minister for Greater Christchurch Regeneration



# UPDATED DRAFT CABINET PAPER: GLOBAL SETTLEMENT AGREEMENT WITH CHRISTCHURCH CITY COUNCIL

## Purpose

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1. This briefing:
  - a. provides you with an updated draft Cabinet paper for consideration by the Cabinet Economic Development Committee (DEV) on Wednesday 18 September 2019; and
  - b. s9(2)(i)

## Background

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2. On 16 August 2019, we provided you with a draft Cabinet paper for consultation with coalition partners (DPMC-2018/19-171 / T2019/2481 refers). As noted in our advice to you:
  - a. on 8 August 2019 the Council approved the Global Settlement Agreement (GSA) subject to amendments;
  - b. officials had responded to the Council's proposed amendments, proposing some relatively minor changes where considered necessary. We expected that some further discussion may be needed; and
  - c. given the importance of achieving a final global settlement agreement before the local body election, we proposed you begin coalition consultation immediately, to enable the draft Cabinet paper to be considered by DEV on 28 August and Cabinet on 2 September 2019.
3. On 21 and 29 August 2019, we provided further advice to you on matters that could not be resolved at the officials' level (DPMC-2019/20-197/T2019/2557, DPMC-2019/20-212 and DPMC-2019/20-219 refer). On Friday 30 August 2019, the Minister for Greater Christchurch Regeneration met with the Mayor and Deputy Mayor of Christchurch to reach a negotiated outcome on matters relating to horizontal infrastructure, the mechanism to share net proceeds from the divestment or lease of RRZ land, and the scope of the Bus Interchange retention.

## An updated draft Cabinet paper is attached

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4. At the Minister's meeting with the Mayor and Deputy Mayor on 30 August 2019, ways through the remaining issues were agreed. Officials have since shared updated drafting with the Council, and the Council has advised that the changes can be accepted by the Mayor and Deputy Mayor without a return to the full Council.
5. We have provided an updated draft Cabinet paper in **Attachment A**. Table 1 details the changes that have been made as a result of the Minister-Mayor meeting, and the GSA reflecting these and subsequent negotiations is attached to the Cabinet paper. The final copies of the documents (including schedules and any letters) will be provided to the office for the lodging of the paper, those relevant to the Council for final legal review (with agreement having been reached on the terms of agreement).

6. These changes cover:

- a. Horizontal Infrastructure – retention, in effect, of certain aspects of the 2013 Cost Sharing Agreement that relate to the horizontal infrastructure rebuild programme, with clarification of the Crown's position that it has no outstanding obligations. s9(2)(g)(i), s9(2)(i)

[Redacted]

- b. Residential Red Zone (RRZ) land – amendment of the mechanism to share net proceeds from the divestment or lease of RRZ land, providing for a wash-up process to calculate net proceeds 10 years after transfer;

- c. Bus Interchange – s9(2)(g)(i), s9(2)(i)
- [Redacted]

7. As per the previous draft, the paper seeks Cabinet approval for the proposed GSA, along with authorisations for you as joint Ministers to make minor changes to the agreement if required, and to sign the relevant documents on behalf of the Crown.

8. The paper now provides finalised financial recommendations, which have been simplified as far as possible, and had figures confirmed by relevant entities. The key message remains the same: that **there are existing funding sources for all impacts of the proposed global settlement**, consistent with Cabinet's previously agreed negotiating parameters.

9. s9(2)(i)

[Redacted]

10.

[Redacted]

11.

[Redacted]

12. You previously consulted with your coalition colleagues on the earlier version of this Cabinet paper. The attached paper does not make significant changes to the earlier version and we therefore, recommended that you notify your coalition colleagues that you intend to lodge this paper for consideration at DEV next week. Not relevant to Global Settlement

[Redacted]

13. We note that the paper cannot be delayed further without affecting the feasibility of the deal, as it will need to be confirmed by 26 September 2019 to enable the asset transfers which would be agreed under the proposed GSA.

### **Further decisions needed prior to Cabinet**

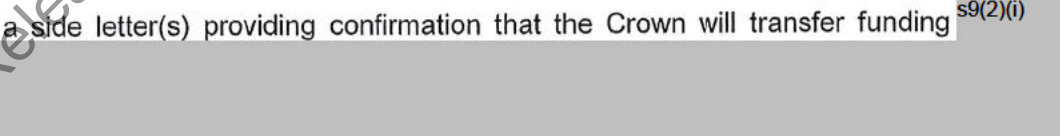
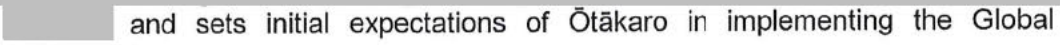
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s9(2)(i)



### **Next steps**

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17. As noted in previous papers, a number of further decisions will be required to enable the final GSA to be signed, subject to Cabinet approval of the proposed GSA. These include:
- a. Technical decisions by you as either joint Ministers or in your capacity as shareholding Ministers for Ōtākaro Limited (Ōtākaro) – including:
    - i. major transaction approval(s); and
    - ii. a side letter(s) providing confirmation that the Crown will transfer funding <sup>s9(2)(i)</sup>  
  
 and sets initial expectations of Ōtākaro in implementing the Global Settlement;
18. Decisions from Ōtākaro and the Chief Executive of Land Information New Zealand (LINZ) to sign schedules of the GSA that relate to assets held by Ōtākaro and LINZ.
19. We will provide you with further advice to support you to make the necessary decisions following Cabinet approval on 23 September 2019, if this is secured. We expect that a number of these decisions will be required on the same day as Cabinet, in order to ensure the deal can be implemented.



## Consultation

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20. These papers have been prepared jointly by DPMC and the Treasury. DPMC (Policy Advisory Group), LINZ and Ōtākaro were consulted on the draft Cabinet paper. The Ministry of Business, Innovation and Employment, the Department of Internal Affairs, the Ministry of Housing and Urban Development have also been informed.

Attachment A Draft Cabinet paper: Final Proposed Global Settlement Agreement with Christchurch City Council

Attachment withheld under section 18(d), is already, or soon to be, publicly available.

Proactively Released by the Minister for Greater Christchurch Regeneration