

Media Release

Christchurch City has the Government's support

Release Date: 01 August 2014

Canterbury Earthquake Recovery Minister Gerry Brownlee says the Government is encouraged by the approach being taken by Christchurch City Council in addressing financial pressures delivered by its required response to the 2010 and 2011 earthquakes.

"Christchurch City has a projected fiscal bottleneck around the end of this decade, where it's up for some major costs related to the earthquakes, and we know councillors are fully aware of the need to address the issue through reducing operational expenditure, reducing debt, and raising revenue.

"That's why the council engaged Cameron Partners to do a financial review which has provided it with some options for consideration.

"We are confident Christchurch City has the balance sheet capacity and political leadership to meet these challenges.

"Today the council takes the first steps toward some decisions that will be hard to make.

"This week I and Finance Minister Bill English were taken through the Cameron Partners report by Mayor Lianne Dalziel and senior councillors and council staff.

"The Mayor and her team outlined the process from here, and we've offered advisory support to ensure the council receives the best information possible to aide its decision making process.

"The Cameron Partners report makes it clear some major areas of financial uncertainty are causing headaches for Christchurch City, including the cost of repairing and replacing the city's essential horizontal infrastructure.

"When we signed the cost sharing agreement with the council in June 2013 we foresaw this and undertook to do a thorough review of where the shared costs of the rebuild lay by 1 December this year.

"Knowing the final cost of repairing and replacing Christchurch's horizontal infrastructure was always going to be better understood as we got nearer the end of the task.

"Once we have this information we can consider if any amendments are required to the cost sharing agreement. Officials from CERA and the Treasury are working with the council already to ensure the review provides Christchurch City with the clarity it needs to help make some of the big decisions ahead of it.

"The most important thing to remember is that the Crown and the council are totally committed to rebuilding Christchurch.

"Neither party has shirked when it's come to paying for the rebuild, and with the capacity and best interests of taxpayers and Christchurch's ratepayers firmly in mind, that commitment remains," Mr Brownlee says. "We look forward to hearing from everyone who wants to be part of shaping the future of our region, and again showing that our community is a world leader in recovery from natural disaster."

This announcement was originally published on cera.govt.nz and beehive.govt.nz