

To: Minister for Canterbury Earthquake Recovery



IN CONFIDENCE

**Process and Timeline Going Forwards on the Port Hills**

Date	06 July 2012	Priority	HIGH
Report No	M/12-13/005	File Reference	

**Action Sought**

		Deadline
Hon Gerry Brownlee <i>Minister for Canterbury Earthquake Recovery</i>	Note the contents of this briefing Sign the attached paper seeking an extension to the Power to Act and submit this to Cabinet Office	12 July 2012

**Contact for Telephone Discussion (if required)**

Name	Position	Telephone	1st Contact
Diane Turner	General Manager, Strategy Planning and Policy	Withheld under section 9(2)(a)	
John Scott	Senior Advisor, Policy		<input checked="" type="checkbox"/>
Withheld under section 9(2)(a)		Withheld under section 9(2)(a)	

**Minister's office comments**

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- Withdrawn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

**Comments**

## Process and Timeline Going Forwards on the Port Hills

### Purpose

- 1 This briefing note informs you of the process and timeline that officials are following in order to support zoning decisions for the remaining 158 Port Hills White Zone residential properties that are at risk from rock roll. You have indicated your intention to announce these decisions on 17 August 2012. Advice relating to the 8 properties in Lucas Lane that remain in the White Zone are not covered in this note as decisions are not due until October, and the geotechnical information for this area will not be completed for some time.

### Executive summary

- 2 Following the announcement on 29 June, CERA and the Christchurch City Council (the Council) continue to work very closely on the development of Port Hills policies. A number of work streams are being progressed with a view that final information will be available by the end of July for all Port Hills White Zone residential properties other than those in Lucas Lane.
- 3 The work areas being progressed, along with estimated dates for delivery of advice, are outlined in the table below:

Issue	Timing of Advice	Lead
<b>Items Required for August 17 Announcement</b>		
Granulated data relating to White Zoned rock roll properties	Progressively from 10 July through to 25 July -- see comment below	CERA
Transaction design for Port Hills Red Zone offer	20 July	CERA
Determining appropriate regulatory mechanism to be used for restricting access to red zone properties	25 July	CERA / CCC / MBIE Building and Housing
Scope and timing of Port Hills zoning review process	Early August	CERA
Extension of Ministerial Power to Act	Draft Cabinet paper is attached to this briefing	CERA
<b>Related Matters</b>		
Extension of end date for Temporary Accommodation Assistance	Cabinet paper due in July / August	MSD
Ministerial assistance in promulgating changes to the District Plan	Early August	CCC / CERA
Specific treatment recommended -- if any -- for Rapaki Bay	End July / August	CCC / CERA
Landslip monitoring	Ongoing	CCC
Cliff collapse monitoring	Ongoing	CCC
Critical Infrastructure mitigation decisions	Ongoing	CERA / CCC
Lifting / application of s124 notices	Progressively from now	CCC
Public release of the GNS reports	Early September	CCC / CERA

- 4 There is a process underway to provide more granularity around the various risk zones, and in particular, when (if at all) White Zoned properties are likely to reach the 1 in 10,000 risk line through the period from 2016 to 2021.
- 4.1 2016: Results are already available and the 29 June announcements were based on them;
- 4.2 2018 and 2021: Results likely to be available 10 July;
- 4.3 Intermediate years: Will be available progressively following 10 July. The Institute of Geological and Nuclear Sciences (GNS) have made clear in communications with CERA that they consider the results from those intermediate years to be of relatively limited value given the uncertainties in the model. CERA will continue to discuss this, and the implications of this, with both GNS and your office.
- 5 Once results from 2018 and 2021 are available, CERA will be discussing policy options further with the Council. These discussions will inform our thinking on options going forward for discussion with you and your office.

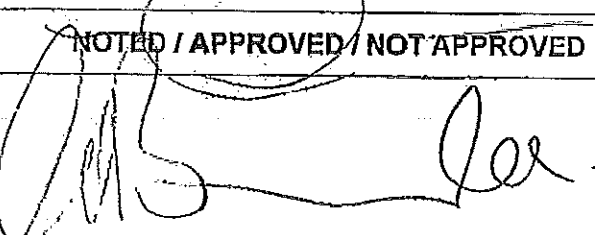
### Consultation

- 6 The Building and Housing Group of the Ministry of Business, Innovation and Employment, the Christchurch City Council and the Institute of Geological and Nuclear Sciences were consulted in the preparation of this briefing note.

### Recommendations

- 7 It is recommended that you:
- 1 Note the contents of this briefing note;
  - 2 Sign the attached paper seeking an extension of the Power to Act and submit this to the Cabinet office by 10am on 12 July 2012.

  
 Diane Turner  
 General Manager, Strategy Planning  
 and Policy

NOTED / APPROVED / NOT APPROVED

Hon Gerry Brownlee Minister for Canterbury Earthquake Recovery
Date: 16/07/2012

Attachment A: Maps of rock roll related White Zone properties  
 Attachment B: Draft Cabinet paper on Power to Act

## Background

- 8 On 29 June 2012 you announced that 1107 properties in the Port Hills had been zoned green, and 285 zoned red. This leaves 166 properties in the Port Hills White Zone, 8 due to potential land slip issues and 158 due to rock roll. You have indicated your intention to make an announcement on the 158 rock roll properties by 17 August 2012. An announcement on the 8 properties in Lucas Lane that are affected by land slip is expected at the end of October 2012.
- 9 You have requested maps showing the current Port Hills White Zone. These are enclosed as Attachment A.

## Comment / Discussion

- 10 Our priority over the coming weeks will be on the work required to:
  - 10.1 Enable a final zoning decision on the 158 properties affected by rock roll to be announced by 17 August 2012;
  - 10.2 Enable purchase offers to be made to properties zoned red to be promulgated from the end of August;
  - 10.3 Enable a final zoning decision on the 8 Lucas Lane properties with potential land slip issues to be announced by 31 October 2012;
  - 10.4 Address other issues arising from the recent zoning announcement.

## Expected work required and outputs

- 11 The policy issues requiring Ministerial decisions are outlined below. An explanation of each issue and an estimated timeframe for completion is also set out. In addition to this, there are a number of second tier issues. These do not require a decision in the short term. These are not discussed in any depth in this briefing note.

### *Data required for zoning the outstanding rock roll properties*

- 12 Officials have requested that GNS re-run the risk model associated with rock roll on an annual basis covering the years 2017 through to 2021. Data for the 2016 year is finalised, while the data preparation process for the 2021 year is partially completed at this point. GNS advised CERA that it is likely to take 10 days for modelling and verification, 3 days for updating the model with ground truth information and a day for digitising before a workshop on the 20th/23rd of July, depending on the availability of the geotechnical engineers. As such, an estimated date of 25 July for finalisation of the data for each year from 2016 through to 2021 has been identified.
- 13 GNS have advised CERA that the value of the year on year modelling information produced is questionable at best, given the uncertainties in the model. As such, CERA has asked GNS to focus their initial efforts on finalising the 2018 and 2021 models. Results for this are due to be completed on Tuesday 10 July 2012. These will produce estimates of risk lines at the 1 in 1,000 and the 1 in 10,000 risk level for 2018 and improved estimates for 2021.
- 14 Once available, officials will prepare a summary table which shows the properties and the reduction in risk to those properties over the period 2016, 2018 and 2021, and the rateable value of those properties. This will inform further policy discussions with both the Council and

you. Work has also been undertaken to provide you with a more detailed understanding of the change in risk over time. We will be looking to provide this to your office next week.

- 15 The final data that is provided is based upon the GNS model, but goes through a "groundtruthing" process. The data preparation is a multi-stage process and builds in GNS's seismicity assumptions, data on the location of various sources of rocks in the Port Hills, and relevant behavioural estimates. Prominent amongst these are assumptions that dwellings are occupied for 16 hours a day on average, and that residents leave their homes for a period following significant aftershocks.
- 16 Groundtruthing is a review of the GNS model results by CCC Port Hills Geotechnical Group (PHGG). This review step provides a field verification of the model results, and allows the geotechnical engineers who are most familiar with the areas in question to cross check the final outputs of the model and overall data production exercise.

*Properties in the Green Zone that have had section 124 notices on them*

- 17 There were 81 Port Hills properties which had earlier been issued with a section 124 notice that were in the green zone prior to the 29 June announcement. These properties have not been part of any GNS modelling to date. Of these properties:
  - 10 have been demolished;
  - 45 have been recommended for removal of the s124 notice in June (work is ongoing to remove these notices);
  - 1 notice was removed in May;
  - Approximately 25 remain with a recommendation to retain the s124 because of local geotechnical hazards/features – with about half of these being related to rock roll (the remainder have risks associated with landslips).
- 18 Work continues with geotechnical advisors to resolve as many as possible, and it is likely that many of these can be resolved on an individual basis. Now that the 1 in 10,000 life risk line (over time) has been identified as an acceptable level of life risk (as a working assumption at least), it should be possible for Christchurch City Council engineers to provide a recommendation on the properties amongst these that have rock roll related risks.

*Determining the regulatory mechanism for restricting access to Red Zone properties*

- 19 CERA is currently considering how access to red zoned properties should be controlled where risks to life safety have been deemed to be unacceptable. The options under consideration are the continued use of notices issued under section 124 of the Building Act or the restriction of access under section 45 of the CER Act. We will report to you with our recommendations on this point by 25 July. This work involves CERA, the Council, and MBIE.
- 20 The Council has indicated to CERA that, where necessary, s124 notices will be placed on red zoned properties in the Port Hills within the next week.

*Power to Act*

- 21 On 5 March 2012, Cabinet 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 make any outstanding decisions relating to the Port Hills White Zone until 30 June 2012 [CAB Min (12) 7/3A refers]. The Power to Act has now expired, however there are still properties remaining in the Port Hills White Zone.

- 22 Officials recommend that you ask Cabinet for an extension. Attached to this briefing note is a Cabinet paper requesting an extension on the Power to Act until 31 October 2012.

#### *Review process*

- 23 A review process has been promised for the Port Hills. Officials aim to report to you on the scope, timing and process for such a review in early August. Current thinking is that any review should not commence until the zoning of all properties in the White Zone is complete.

#### *Transaction design of Red Zone offer*

- 24 Officials expect to provide advice on the transaction design by 20 July. At this stage we expect that the offer should be largely similar in form to the offer made in the Residential Red Zone on the flat land, i.e. it will contain two options. Under Option 1, the purchase price will be based on the most recent rating valuation for land, buildings and fixtures and the Crown will take over all insurance claims. Under Option 2 the purchase price will be the most recent rating valuation for the land and the Crown will take over the EQC claim for land damage only.
- 25 Owners have been advised that CERA will be in a position to start posting offers to eligible property owners in August. Advice will be provided within the next two weeks on the decisions required to enable the transaction design for offers to be finalised. It is expected that there may be differences between the offer made in the flat land. In particular decisions will be required on the following matters:
- 25.1 The offer period and final settlement date for these properties;
- 25.2 Changes from the flat land offer packages required to reflect the life safety risks associated with these properties;
- 25.3 The mechanics of any process to enable the offer package to be limited to the dwelling and immediately surrounding land on large properties if a decision is made to limit the offer in this manner.

#### *Temporary Accommodation Assistance*

- 26 CERA is liaising with MSD on the preparation of a Cabinet paper recommending the end date for Temporary Accommodation Assistance (TAA) for homeowners with dual housing costs be extended beyond the current expiry date of 16 February 2013. We propose that this matter is addressed within a report back to Cabinet from the Minister for Social Development on demand, fiscal impacts and options for the TAA programme. This paper is expected to be available for the Cabinet Committee on Canterbury Earthquake Recovery's consideration on 30 July 2012. This should allow Ministers to consider whether any changes to the Port Hills policies are consistent with likely directions on Temporary Accommodation Assistance.

#### *Other Issues*

- 27 There are a number of other issues associated with the Port Hills. Some of the most prominent of these are discussed in this paper.

#### *Infrastructure decisions*

- 28 A joint communications forum has been set up between CERA, CCC and Stronger Christchurch Infrastructure Rebuild Team (SCIRT). This is to communicate with residents whose properties need to be accessed by SCIRT in order to fix retaining walls, with the aim of getting as many approvals as possible. Advice on an Order in Council is being prepared to allow holding structures to be built on private property.

- 29 The volume of freight coming in through Lyttelton Port is expected to double in the next few years with the increased rebuild activity. Lyttelton Port and some in the Lyttelton community have different ideas around what form the rebuild should take. Advice on this will be provided in due course.

#### *Subdivision of Red Zoned properties and District Plan Changes*

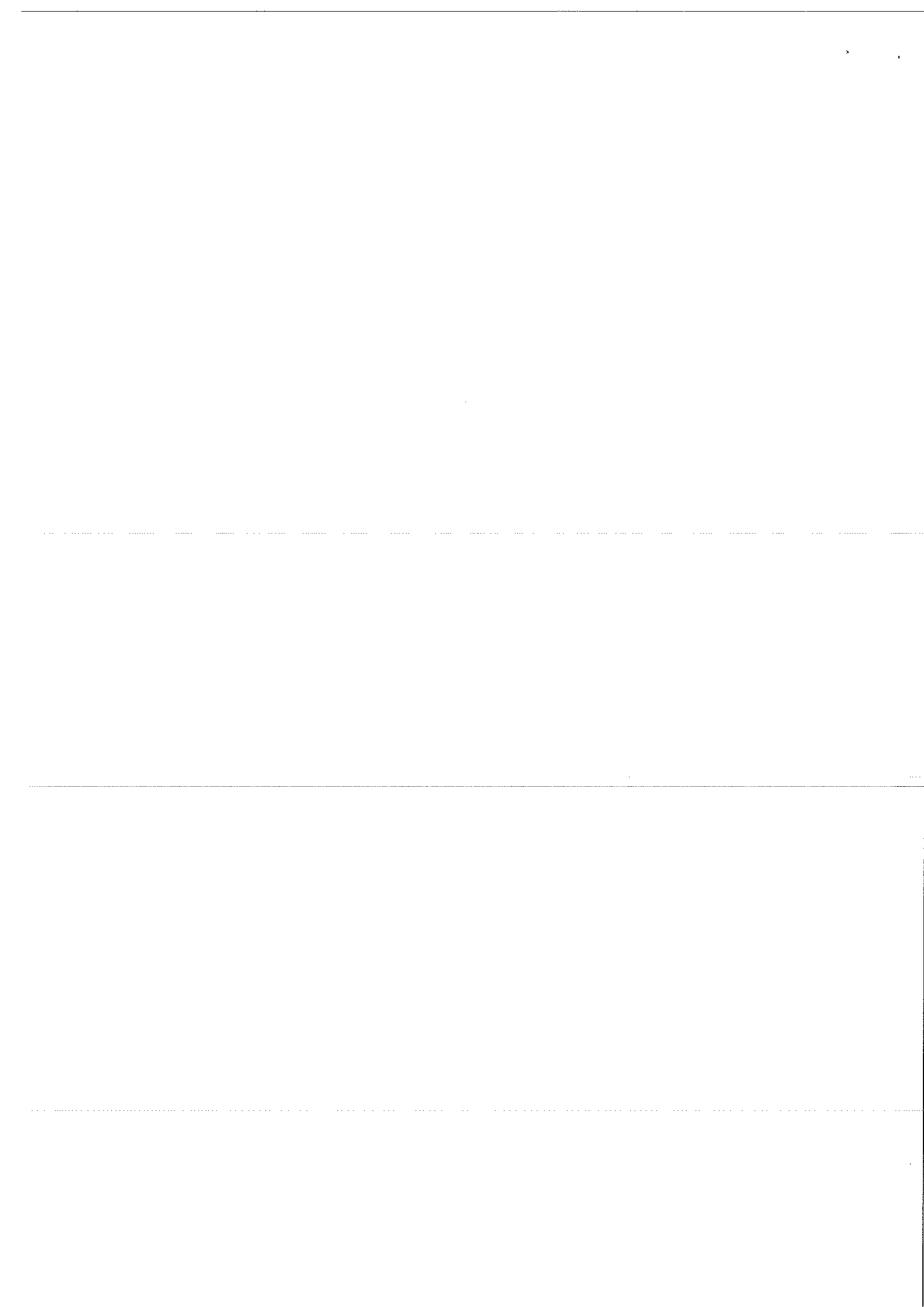
- 30 Owners of red zoned, rock roll-affected residential properties for which part of the land area lies outside the life risk line have asked whether it might be possible to subdivide their properties to allow future habitation of some portion of their properties. This matter will be explored by CCC and CERA.
- 31 Related to this, the Council will seek exercise of the powers under section 27 of the CER Act to change the District Plan. The District Plan is under review and will introduce hazard management areas on the Port Hills. The District Plan changes are in preparation for discussion on 31 July with Councillors, CERA and you. The focus is new rules to support the red and green zones, and the treatment of land subject to potential landslip. Decisions on residual white zone ownership will also influence the Resource Management Act response.

#### *Rapaki Bay*

- 32 There are a specific – and relatively isolated set of issues – that relate to the small number of properties on Māori land at Rapaki Bay that have rock roll risks associated with them. CERA and the Council met residents from Rapaki Bay on 3 July, and will report to you on any desirable variations needed to the transaction design and potential changes to the District Plan in the reports relating to these matters.

#### *The release of the GNS reports*

- 33 There is a high public expectation that the life risk reports prepared by GNS will be released. CERA has received a number of requests for them under the Official Information Act, and the Council has received similar requests under the Local Government and Official Information and Meetings Act. Both parties have refused the requests so far, as these reports are being used for decision making purposes and will be released in due course.
- 34 The GNS reports are dated March 2012, and since then CERA and CCC have requested that the model be re-run. This work is not yet complete. As a result of this, some parts of the reports are out of date, especially the risk line maps.
- 35 CERA and the Council are likely to request that GNS prepare an updated report, with potentially a 'plain English' summary aimed at the general public to be added as well. A combination of the two factors above means that the reports will not be ready for releasing on 17 August with the announcement. Officials recommend that roughly a month be given to GNS following the announcement to finalise everything for release by the Council (with support from CERA) in early September.





Office of the Minister for Canterbury Earthquake Recovery

Cabinet Committee on Canterbury Earthquake Recovery

**POWER TO ACT FOR JOINT MINISTERS ON OUTSTANDING DECISIONS RELATING TO THE PORT HILLS WHITE ZONE – EXTENSION**

**Purpose**

- 1 This paper seeks authorisation for the Minister of Finance, Minister for Canterbury Earthquake Recovery and the Associate Minister of Finance (Hon Steven Joyce) to be delegated authority until 31 October 2012 to make any outstanding decisions relating to the Port Hills White Zone.

**Background**

- 2 On 5 March 2012 Cabinet 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 on any outstanding decisions relating to either the Orange Zone or the Port Hills White Zone areas until 30 June 2012 [CAB Min (12) 7/3A refers].
- 3 All Orange Zone decisions have now been made.

**Comment**

- 4 Following the Port Hills zoning announcement on 29 June 2012, there are an estimated 166 residential properties which remain in the Port Hills White Zone. 158 of these are affected by rock roll and 8 are affected by land slips.
- 5 For the 158 properties still zoned white due to rock roll issues, residents are expecting an announcement by 17 August 2012. Geotechnical investigations continue, but I am confident that we will meet this deadline. For the 8 properties still zoned white due to land slip issues, geotechnical investigations are ongoing. It is expected that these will be completed in time to make a decision in October.
- 6 In order to ensure a timely decision making process, I proposed that the Minister of Finance, the Minister for Canterbury Earthquake Recovery and the Associate Minister of Finance (Hon Steven Joyce), be delegated authority until 31 October 2012 to make any outstanding decisions relating to the Port Hills White Zone.

**Consultation**

- 7 Treasury was consulted in the preparation of this paper. The Department of the Prime Minister and Cabinet was informed.

**Financial implications**

- 8 This paper is seeking Cabinet agreement to a process which may result in recommendations for Red zoning of properties at some fiscal cost. This paper does not directly commit the government to any financial decisions at this stage.

### Human rights implications

9. 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

10. There are no legislative implications arising from this paper.

### Regulatory Impact and compliance cost statement

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

### Gender or Disability Implications

12. There are no gender or disability implications associated with the proposals in this paper.

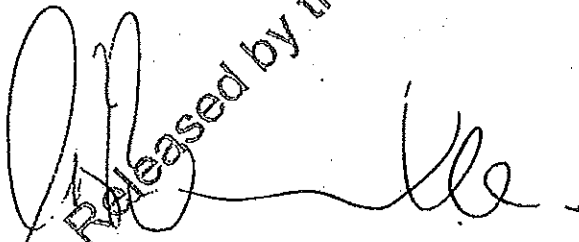
### Publicity

13. No publicity is required at this time.

### Recommendations

14. It is recommended that the Cabinet Canterbury Earthquake Recovery Committee:

- 1 **Note** that on 19 September 2011, Cabinet agreed to a Joint Ministers Delegation of Powers for Canterbury Earthquake Recovery zoning decisions [CAB Min (11) 34/19];
- 2 **Note** that on 5 March 2012, Cabinet extended the Joint Ministers Power to Act until 30 June 2012 [CAB Min (12) 7/3A];
- 3 **Note** that an estimated 166 properties remain in the Port Hills White Zone because further geotechnical and scientific investigation, data analysis and assessment of policy options are required to enable a final zoning decision to be made;
- 4 **Authorise** 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 31 October 2012 to make any outstanding decisions relating to the Port Hills White Zone.



Hon Gerry Brownlee  
Minister for Canterbury Earthquake Recovery

16, 07, 2012