



Insights on Canterbury: Institutionalising Best Practice in Earthquake Recovery - 2014



NZCID members



Why NZCID? Why this Research?

NZCID: New Zealand's peak infrastructure industry body

- Best practice in infrastructure development
 1. Visionary Leadership & Effective Governance
 2. Integrated Spatial Planning
 3. Beneficiary (user) pays funding (wherever possible)
 4. Regulation that balances economic, environmental and social needs
 5. Delivery - investment pipeline using all forms of procurement
- → Confidence Investment Productivity Prosperity

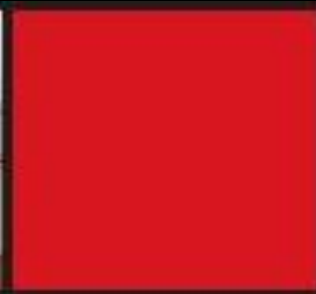
Research Objectives

NZCID research sought to understand:

- How the rebuild has progressed over the last year
- The effectiveness of governance, planning, funding, decision making and delivery of infrastructure
- What changes, if any, should be planned for the future?

Material will:

- provide input into NZCID's policy development
- provide the basis for developing recommendations for consideration by government and local councils.



Research Results

Sarah Lang, NZCID



Presentation Outline

1. Research Programme
2. Findings
3. NZCID recommendations
4. Moving forward



Research Programme

Research undertaken in February and March 2014.
Components of research included:

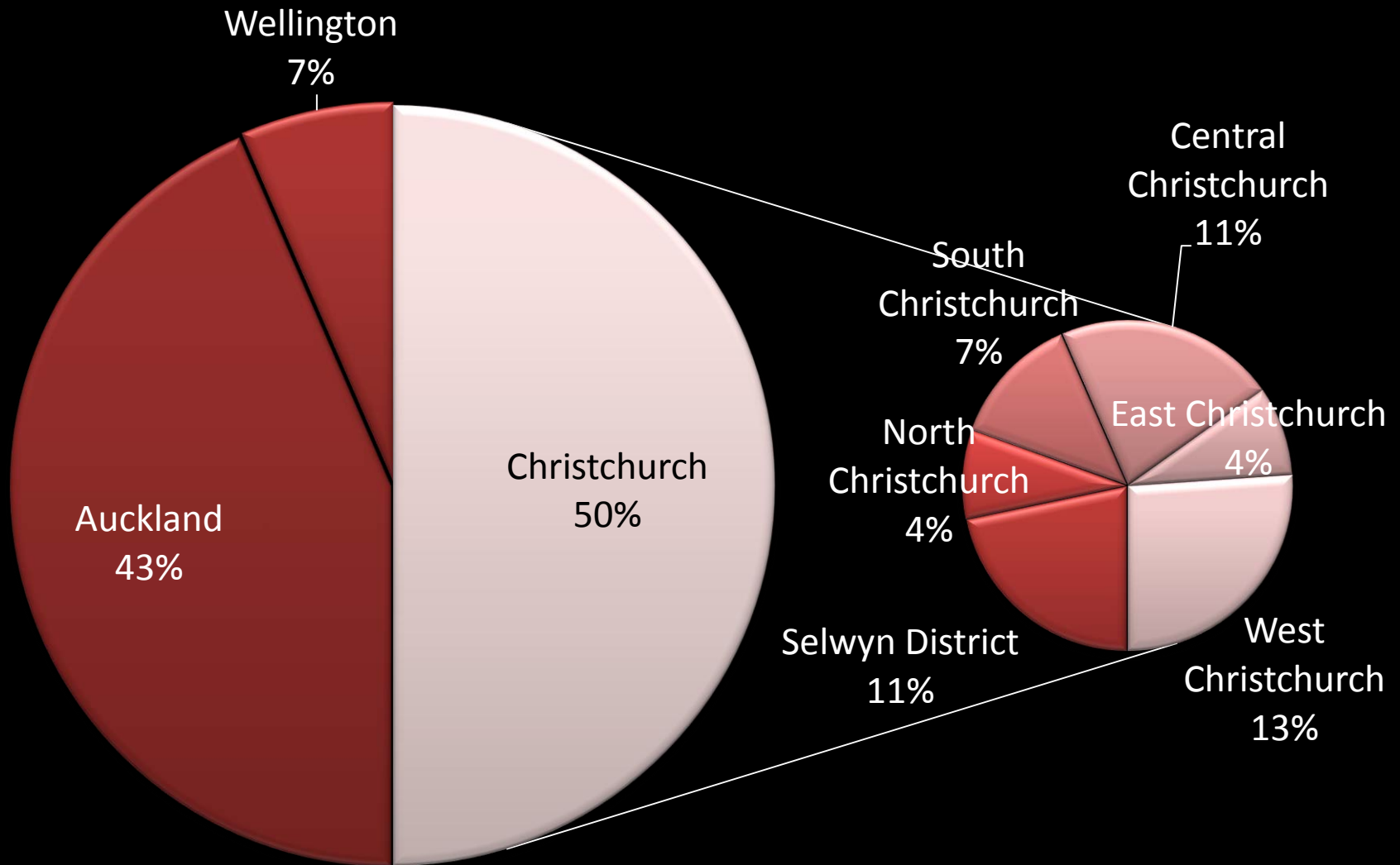
- 1. Stakeholder interviews, meetings - n = 25**
 - Group meetings and personal and telephone in-depth interviews with stakeholders from Central and Local Government, industry, NZCID members, etc
- 2. Online survey - n= 46**
 - NZCID members, key infrastructure stakeholders etc
- 3. Preliminary report back and opportunity for stakeholder feedback - today**
- 4. Final report - June/July 2014**



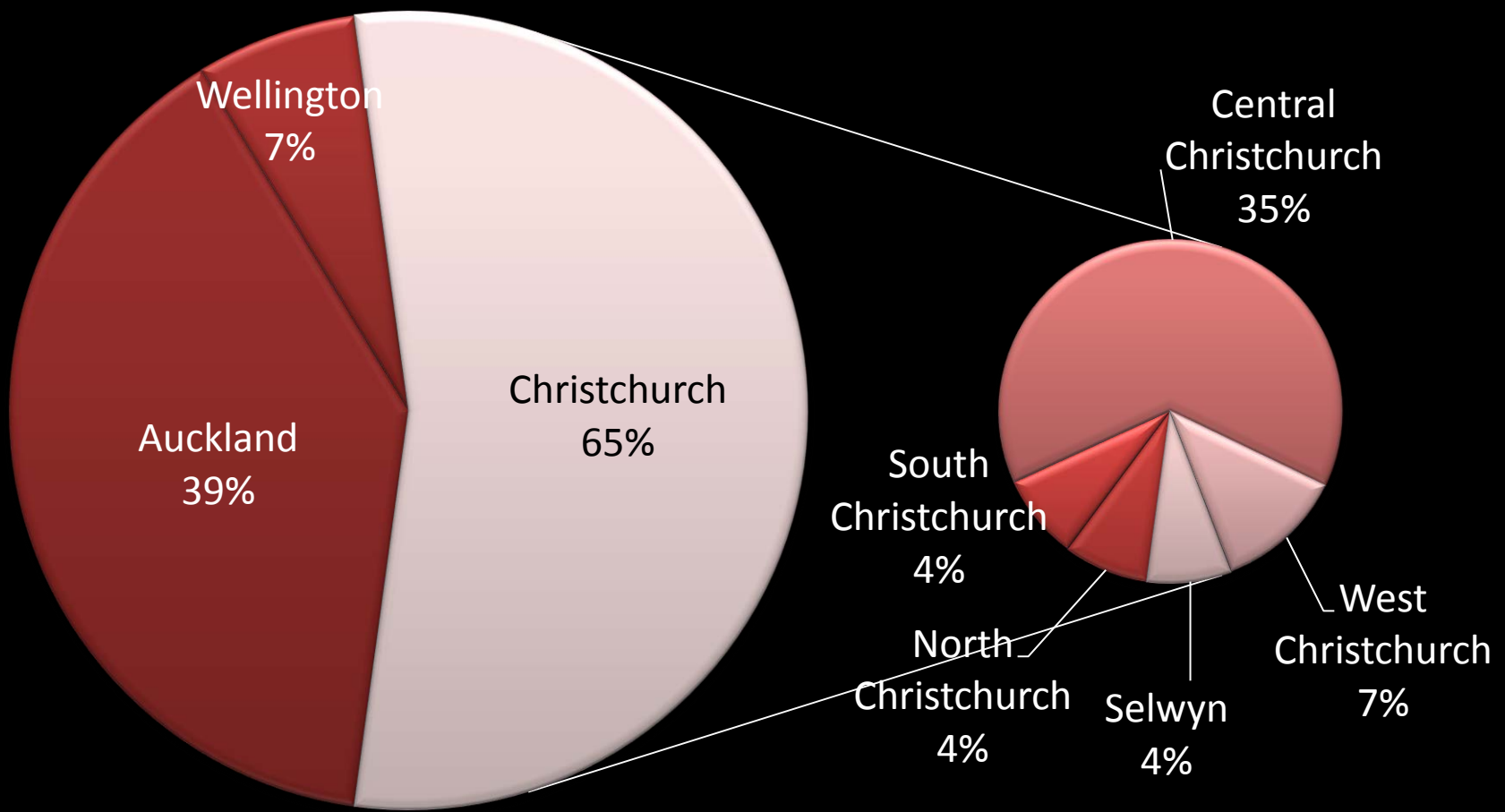
Results



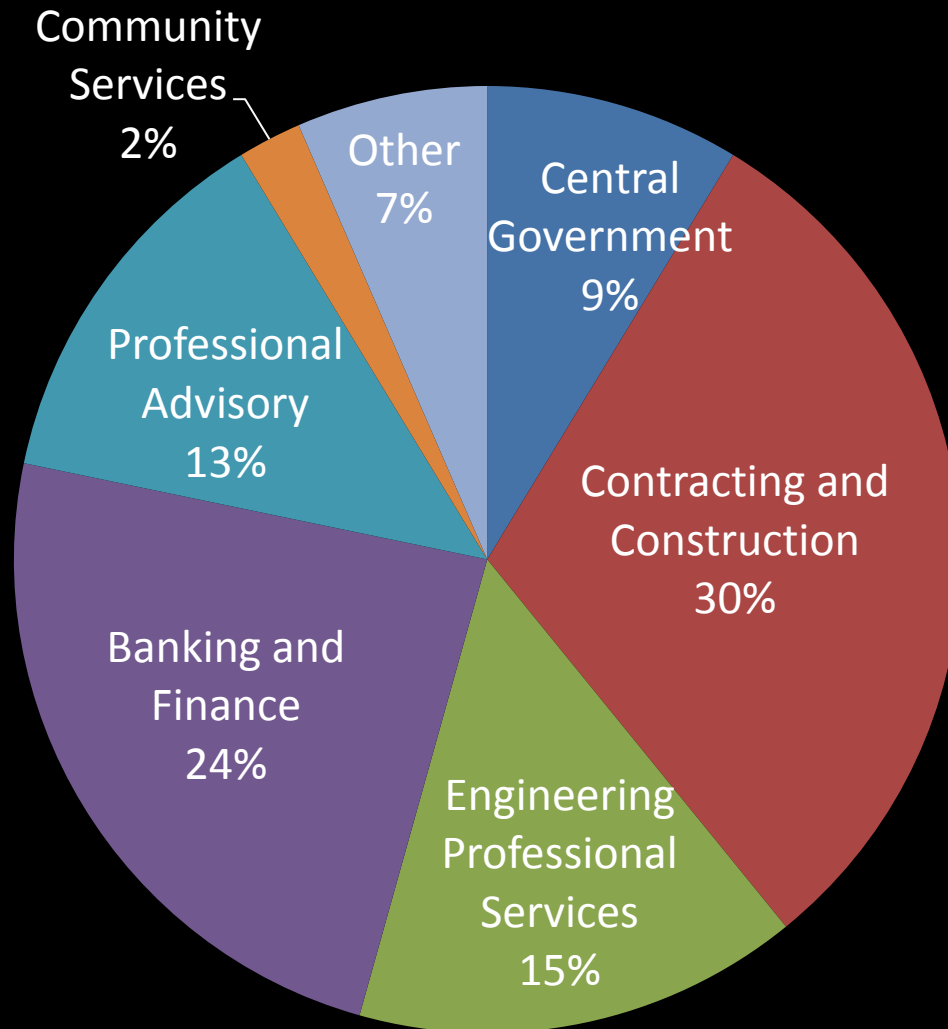
Where do you live?



Where do you primarily work?



In which sector do you primarily work?



Positive Changes

*The revenue generating part of Christchurch is ticking on well.
Rural economy is supporting the Christchurch economy*

The insurance conversation has turned a corner

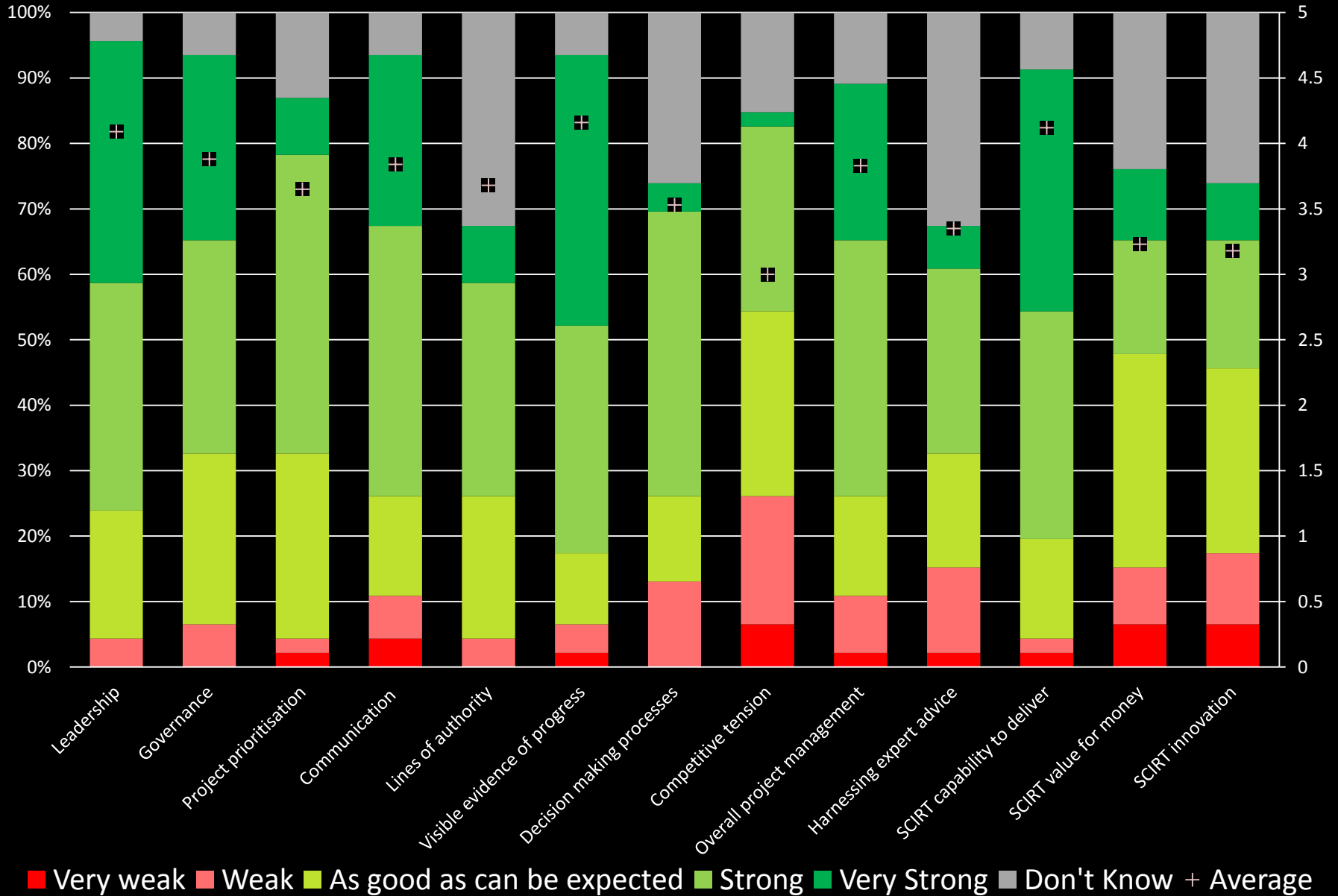
*There is a lot of activity underway - just not sure if its going in the
right direction*

*ECAN is doing a damned good job. Commissioners have done a
good job*

*We are making good coin out of Christchurch. Prior to the
earthquakes we had 6 staff. This will grow to 70. We are
employing staff from all round the world and other NZ offices. We
are also sending work offshore. Its hard getting staff from our
Auckland office to help as they are so busy there too*

SCIRT - 2014

Average Score



SCIRT

Out there getting things done

SCIRT has been an exemplar of good governance, management and delivery

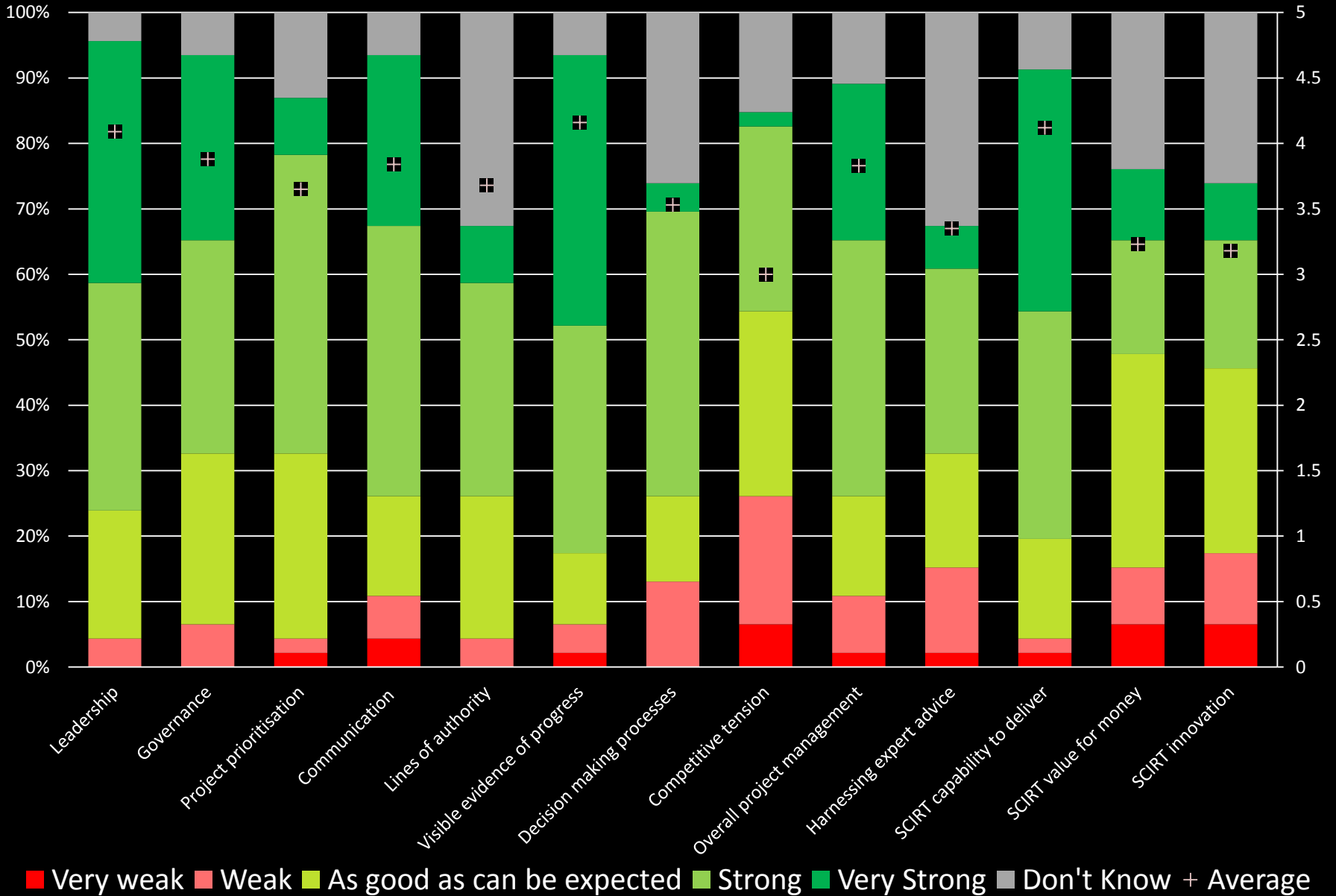
SCIRT remains the success story of Christchurch - they just get on with fixing things, month after month

This is one of the star performers of the rebuild - a very innovative move to deal with the horizontal infrastructure.



SCIRT - 2014

Average Score



BUT...(SCIRT continued)

It appears to be a closed shop. Would be helpful to understand procurement processes and rigour to validate if best value for money vehicle for ratepayers

Its a pity that its Owners governance group is holding it back with slow decision making

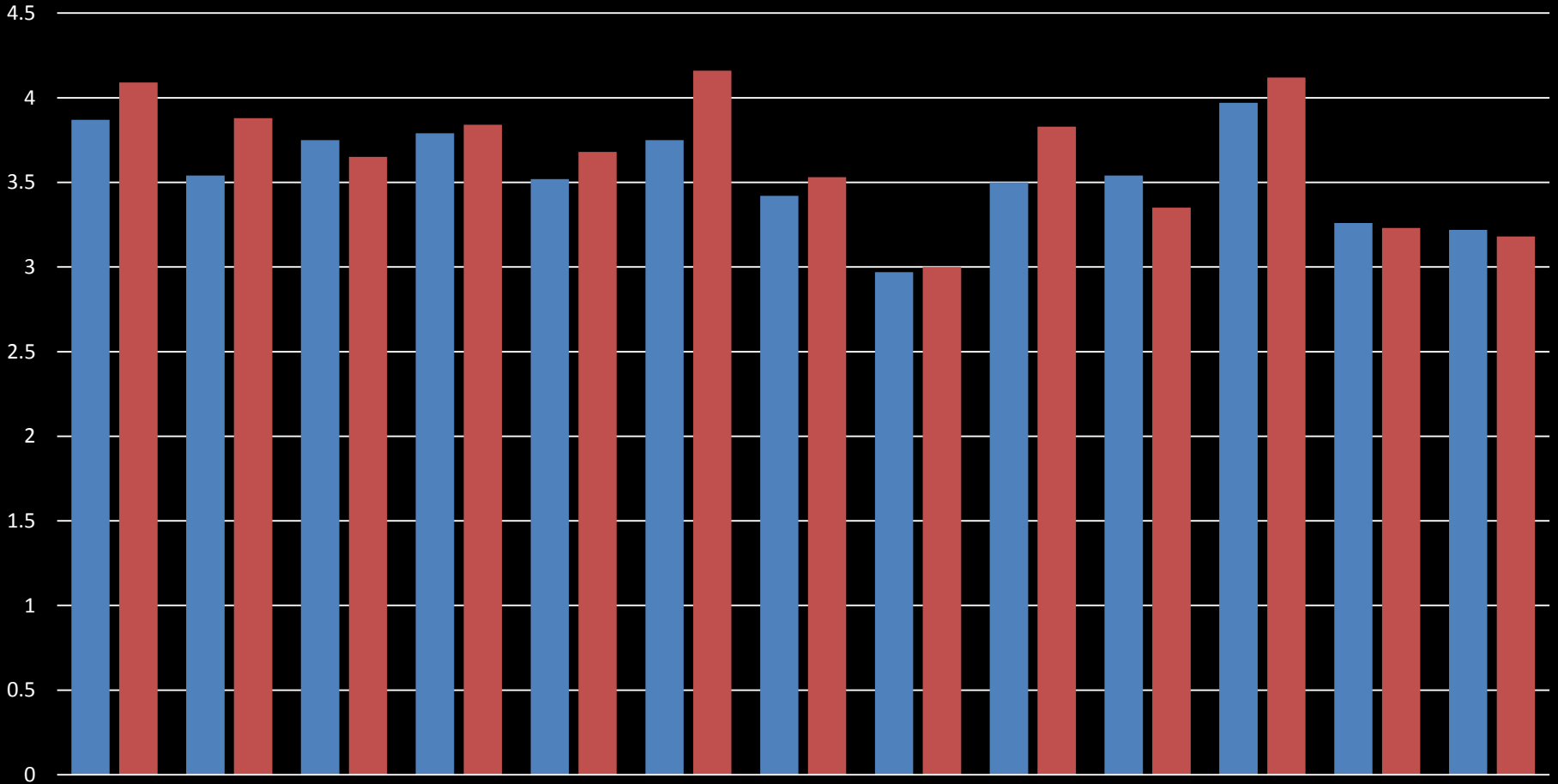
Evidence of lowest cost rather than high quality, durable results - potential to cause longer term higher costs and rework

No taking into consideration disruptive issues. Some of the work never seems to get completed

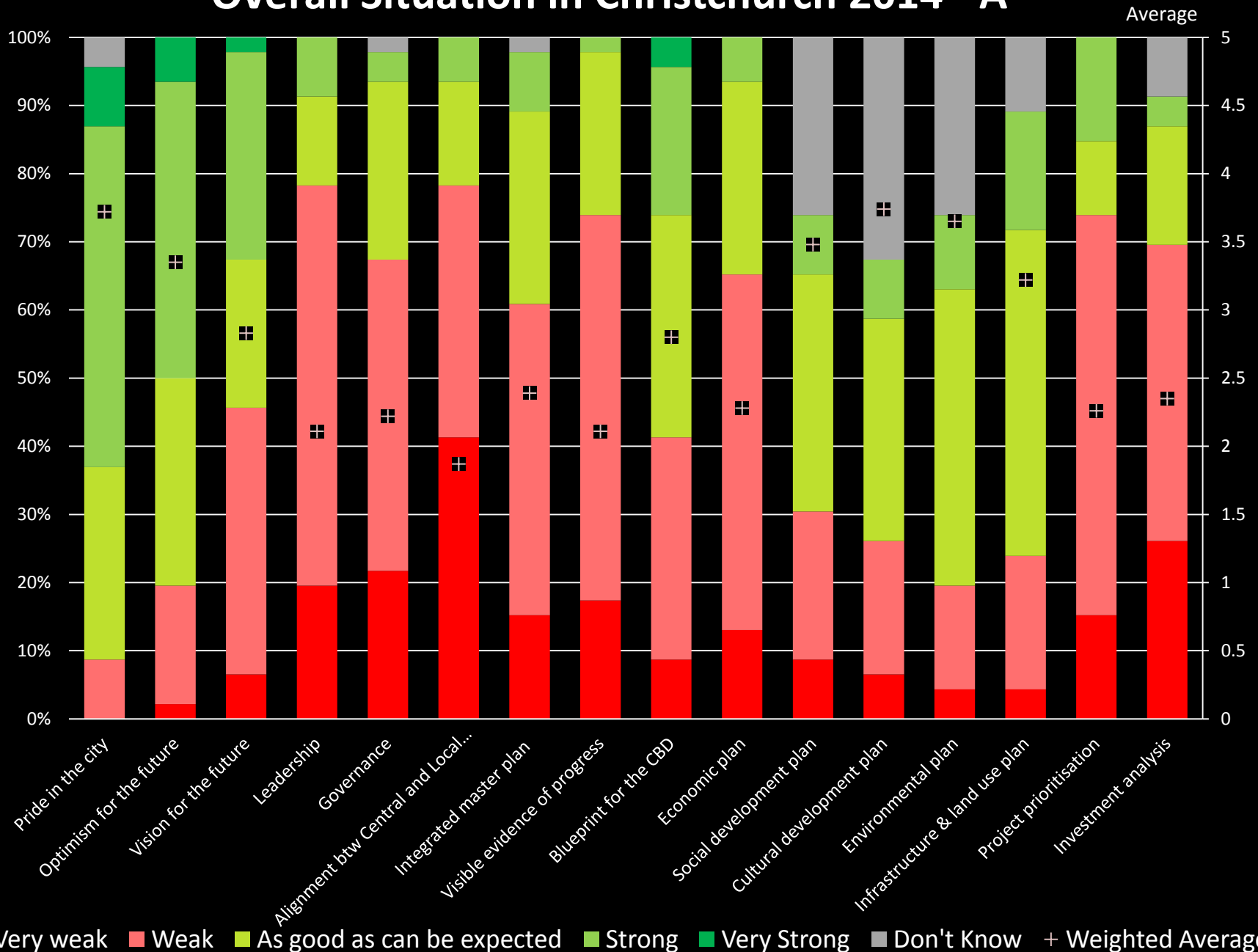
Weighted average

SCIRT Performance (2013-2014)

2013 2014

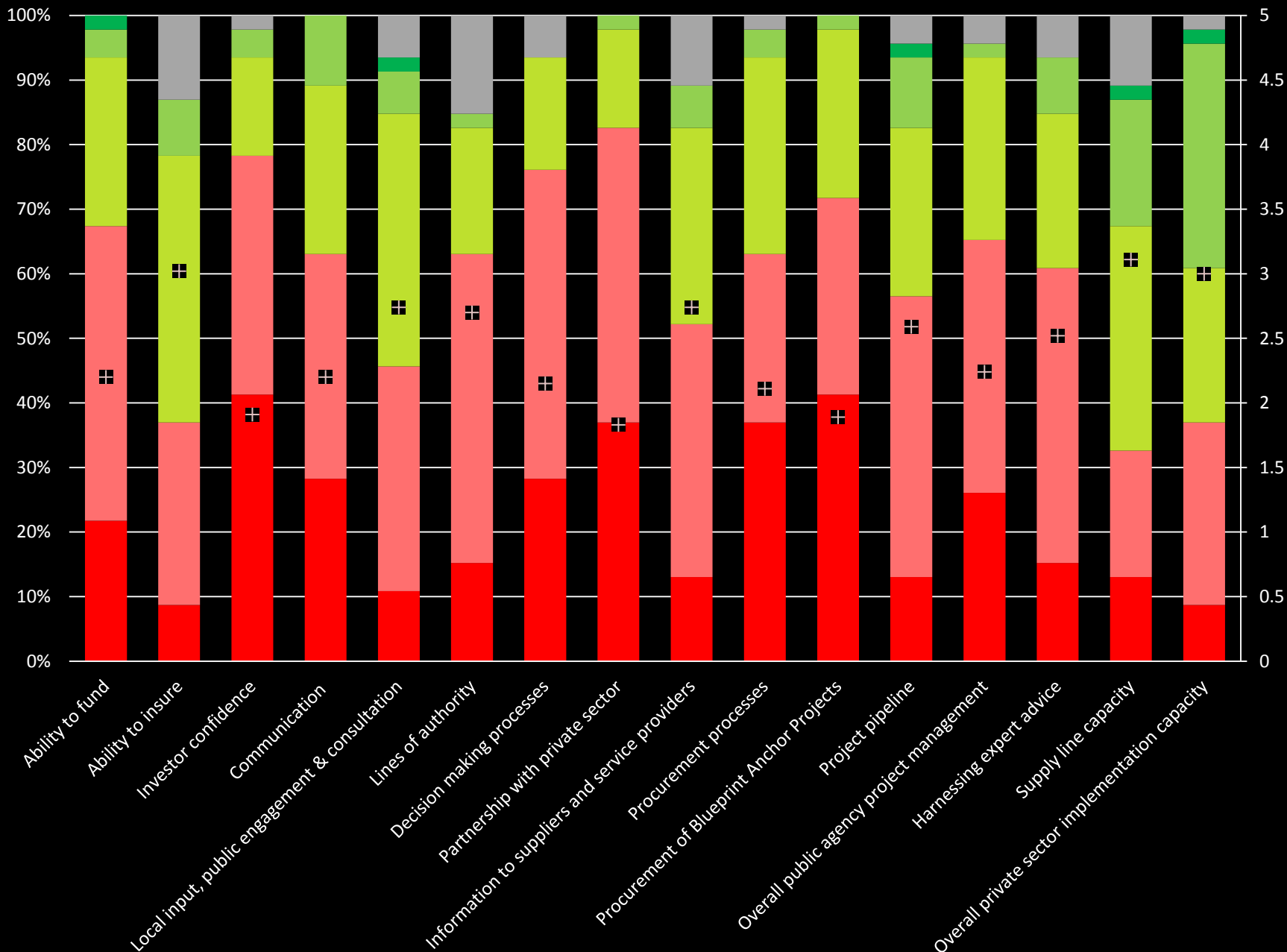


Overall Situation in Christchurch 2014 - A



Overall Situation in Christchurch 2014 - B

Average



Very weak Weak As good as can be expected Strong Very Strong Don't Know + Weighted Average

Overall Performance A (2013-2014)

Weighted average

2013 2014

4

3.5

3

2.5

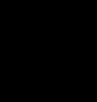
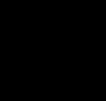
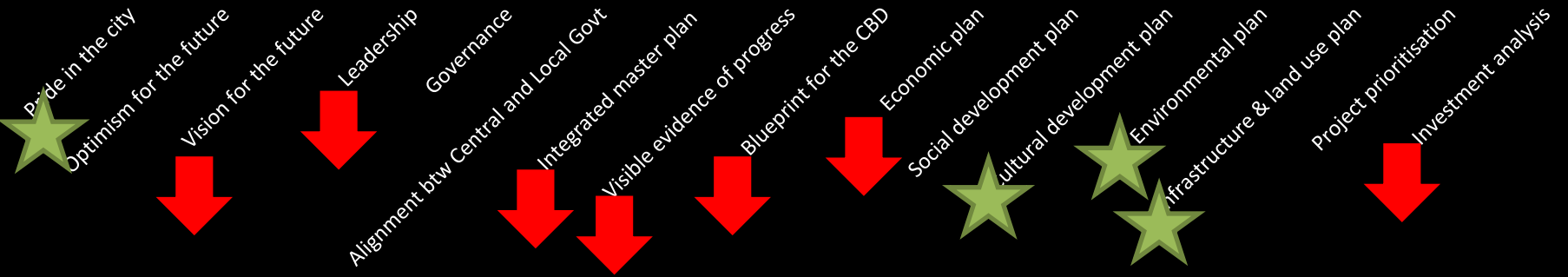
2

1.5

1

0.5

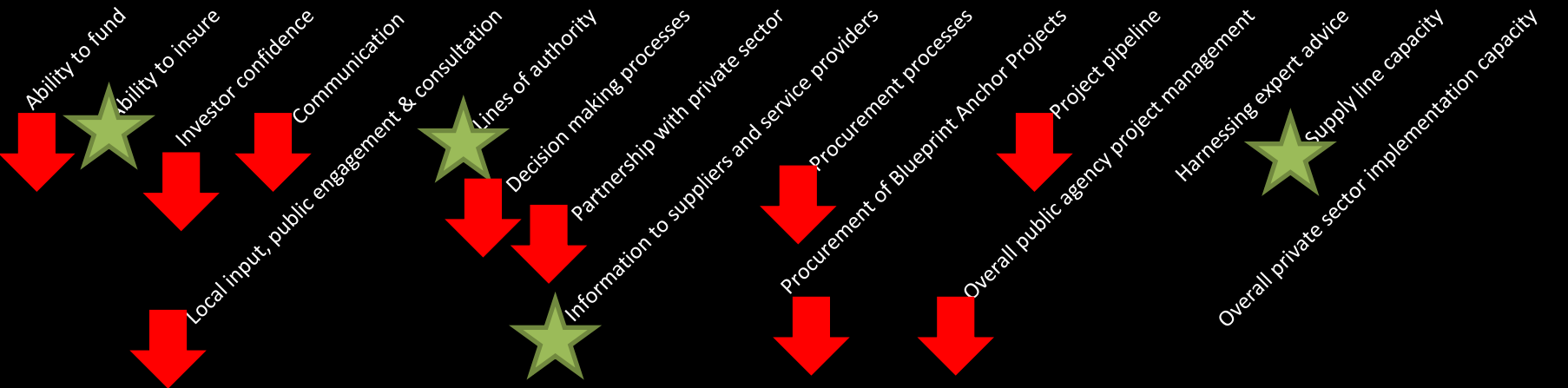
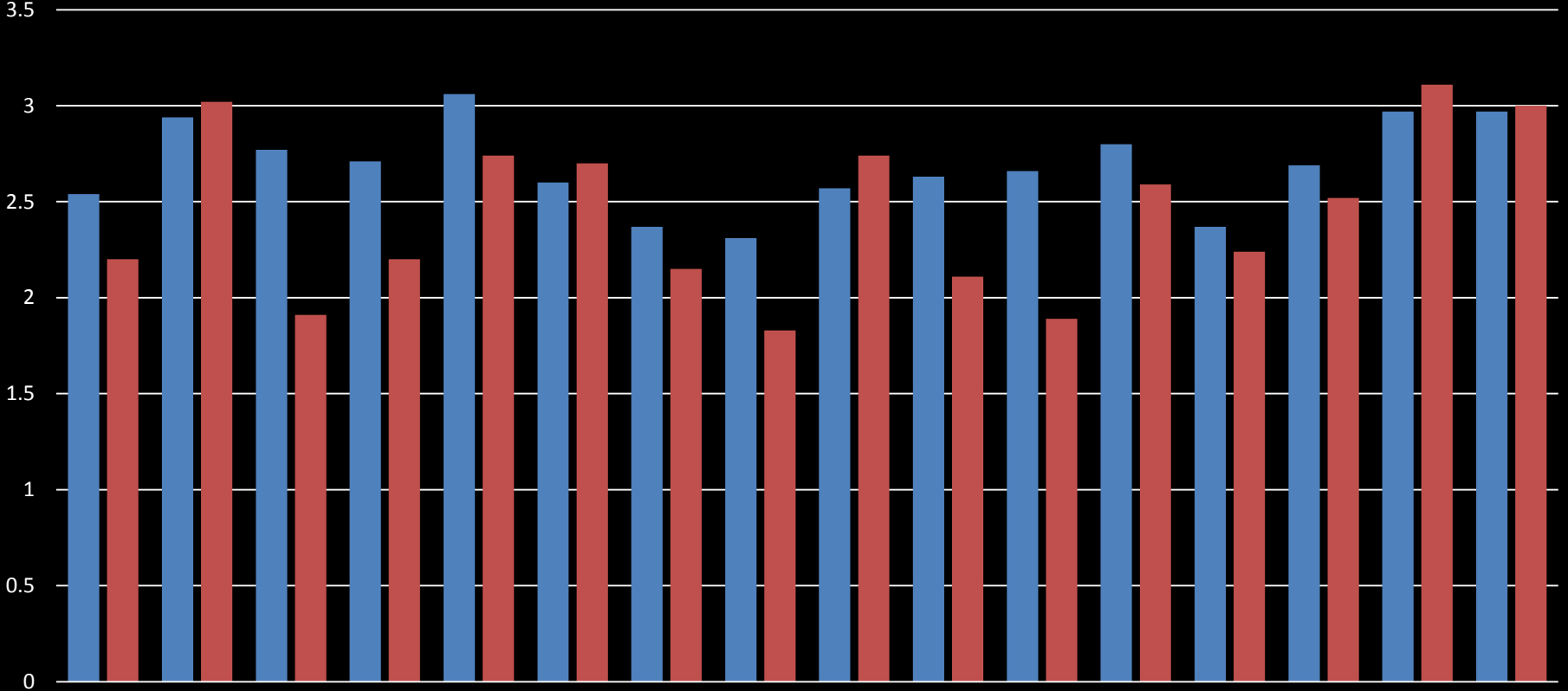
0



Overall Performance B (2013-2014)

Weighted average

2013 2014



Overall Situation in Christchurch - Pace

At the beginning I was really excited about the new buildings, money and ideas. As time goes on however this excitement is fading... We are three years down the track now. Things are just moving too slowly

To muddle along the way we are is cringeworthy.

I see the recovery stalling. There was a lot of hype with the Blueprint, the Have a Say Campaign and the 100 day Traffic plan, but recently I have seen little delivery

The economics of the central city are hard. Everyone is blaming everyone else. The hub will be recreated over 20 years - it is not a sudden build. Council should have put a moratorium around building 'the donut'

Overall Situation in Christchurch - Procurement

Project procurement shows no innovation, is piecemeal, costly and highly inefficient. Progress is improving but it is still painstakingly slow

We are unable to plan effectively for any type of ramp up due to CERA's inability to come up with anything that even resembles innovation

No certainty in pipeline or procurement models. How does CERA/CCDU want to engage with non-Christchurch businesses? Recent road show was a waste of time

People don't know what they are doing with procurement. The tender documents are pathetic. Detail is missed out, it ends up in a shambles

Overall Situation in Christchurch

Christchurch now has a credibility issue. The RFPs are not leading to anything.

We need to be working with a commercial board, not a Minister.

Still struggling with ad hoc projects. No macro picture

We need a circuit breaker. Is it going to take a change of government to achieve this?

There was a huge amount of goodwill from infrastructure investors to Christchurch, but this has waned over time due to all the false starts. To date there has not been one opportunity where we could bring capital to the table. The hospital, justice precinct and convention centre projects have all come and gone. Our efforts are being redirected to Auckland and Australia due to greater certainty of process.

Overall Situation in Christchurch - CERA

CERA have done a good job. The public at large is not aware of what they do. They're not very good at telling the public what they do either

How many staff does CERA have? Hundreds of staff. What do they all do?

The recovery that is happening has nothing to do with government. It is happening in spite of CERA. The private developers are doing all the building at present

Why is the vertical build so slow? CERA is dragging the chain - at least it is elongating the peak.

Overall Situation in Christchurch - CCC

CERA and CCC are still struggling. CCC has a real will to make it work. There is a fear that unless Council steps up and shows leadership, Central Government won't have the confidence to hand the city back.

I don't have a lot of faith in CCC. There are some good people, but ... some people have been there forever and are not up to the task.

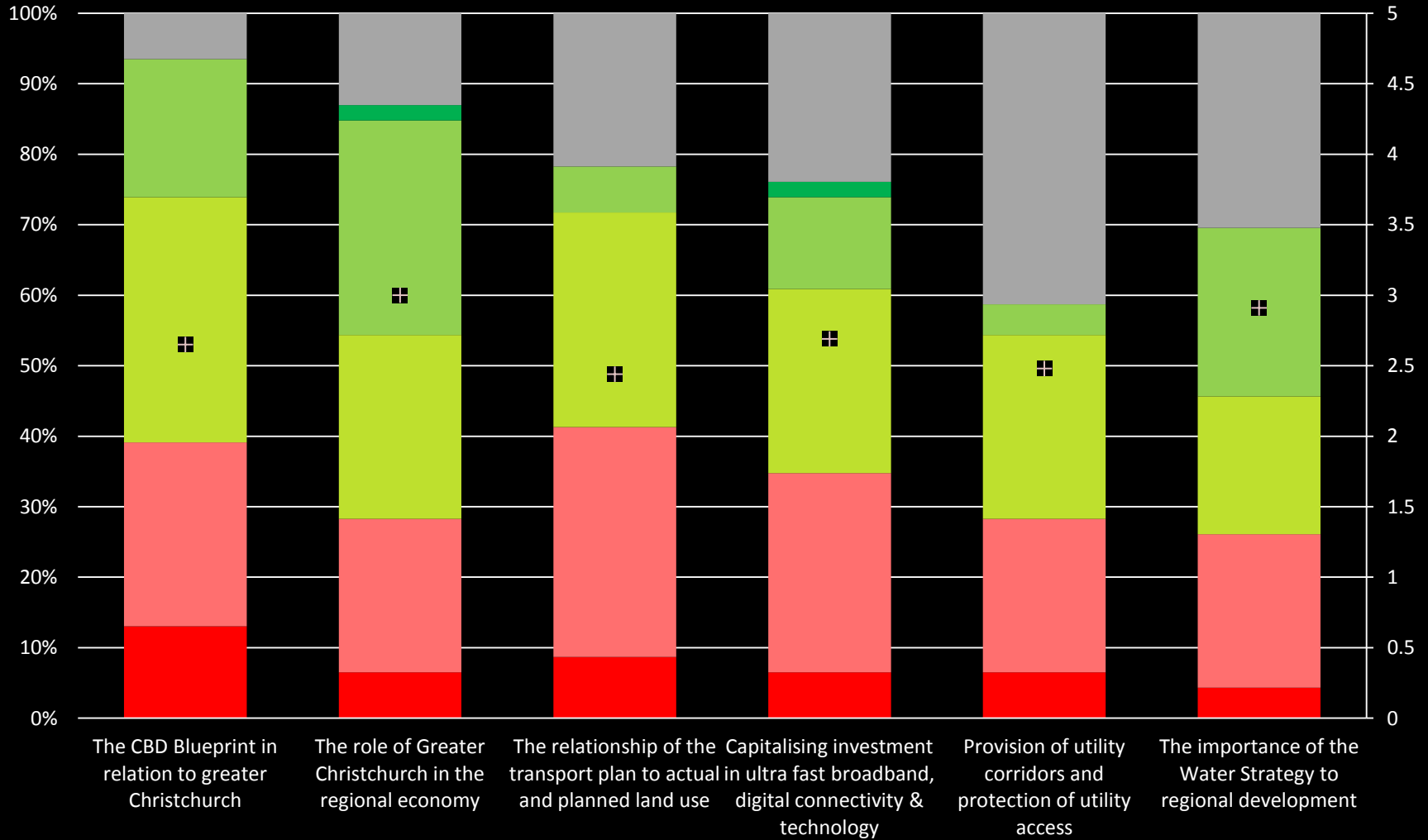
There is an awakening and realisation that the issues are much bigger. The City haven't got their head around insurance.

Overall Situation in Christchurch

People need to move on from hurt, wrong and broken

Its going to be a great city... we just have to be patient

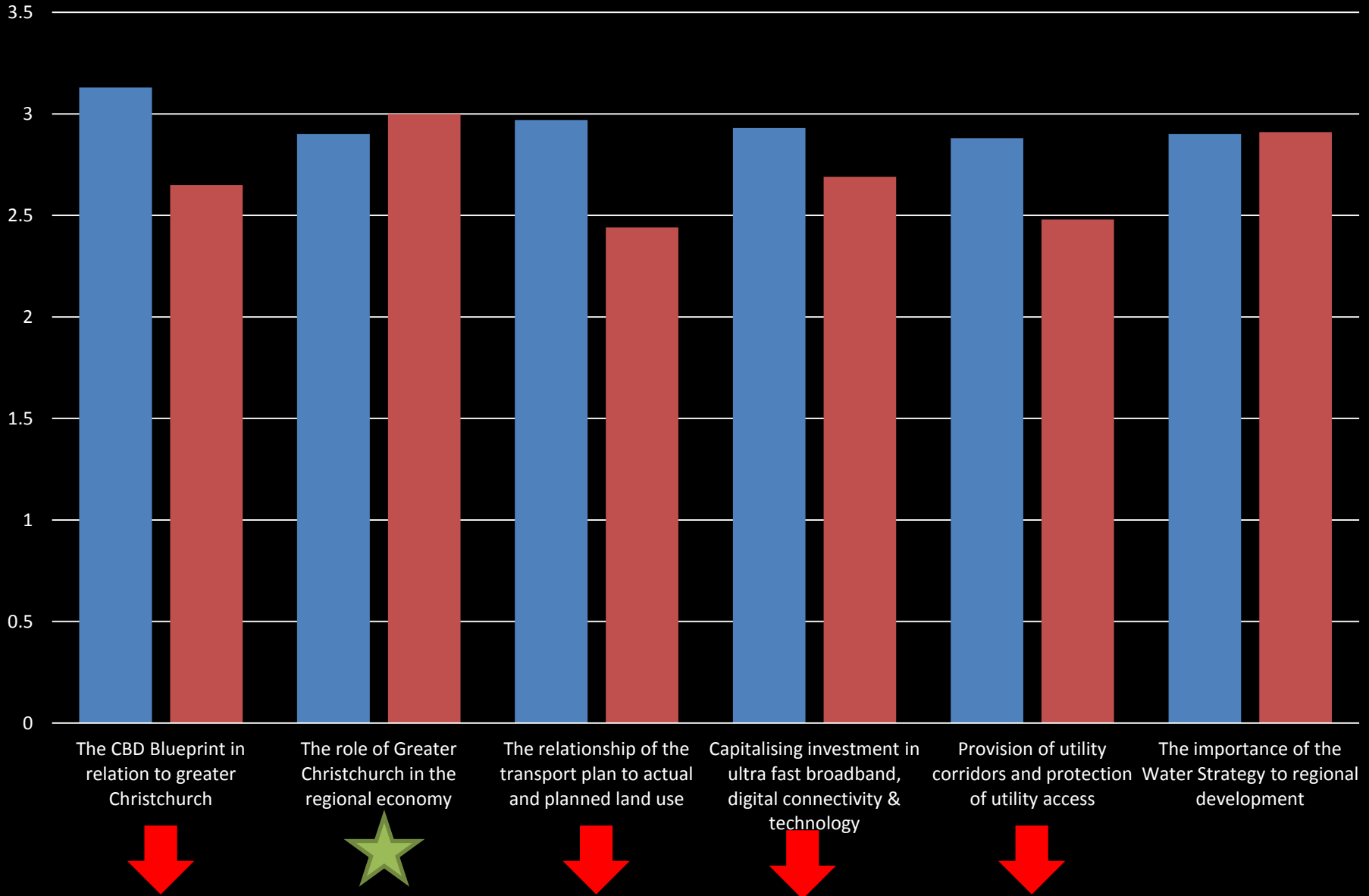
Level of Integration between Infrastructure and Landuse Plans (2014)



■ Very weak
 ■ Weak
 ■ As good as can be expected
 ■ Strong
 ■ Very Strong
 ■ Don't know
 + Weighted Average

Level of Integration between Infrastructure and Landuse Plans (2013-2014)

■ 2013 ■ 2014



Level of Integration between Landuse and Infrastructure Plans

Situation demands similar approach to Auckland Super City to get some traction

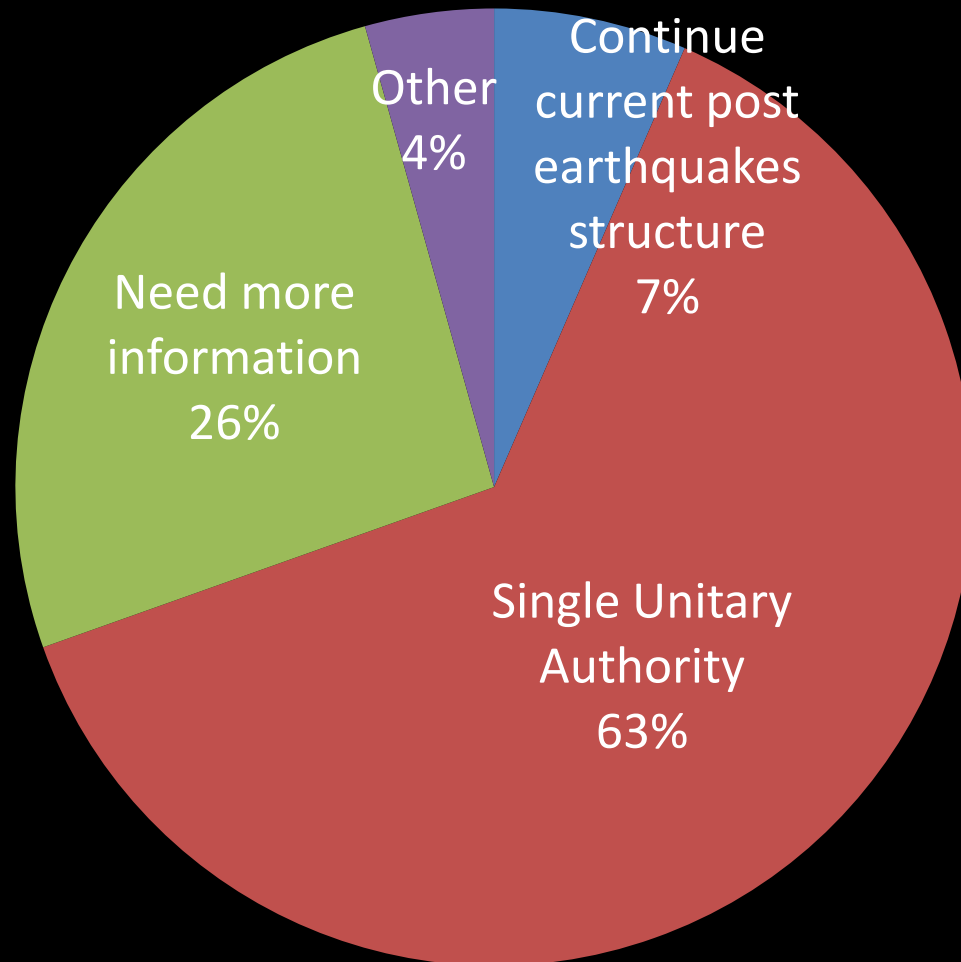
Apart from CDC, little recognition of the economic needs and opportunities of the wider region in the city re-build

Where is the transport plan? Blueprint is isolated from greater Christchurch

It's like Christchurch exists in isolation from Canterbury, while the regional economy just keeps on going regardless

There is currently an unforeseen mismatch between Government infrastructure policy in productive water and Government policy on freshwater reform, that is exacerbating the urban/rural divide.

Institutional Arrangements for Canterbury Moving Forward



Institutional Arrangements for Canterbury Moving Forward

An Auckland Council type structure, with CERA (and CCDU) continuing as a CCO appears to be the best option. However, clear authority for strategic decision making on an autonomous basis is required for certainty around process.

There must be learnings from the Auckland situation. Selwyn has a great reputation as having a streamlined consenting process. How can we take the best of all things we have and put that together?

An autonomous entity empowered to make decisions needs to take control of the CBD rebuild.

Two years is sufficient time to amalgamate all the agencies in a "Super City" and then get on the economic rebuild of the Canterbury region.

Institutional Arrangements for Canterbury Moving Forward cont.

Two years is sufficient time to amalgamate all the agencies in a "Super City" and then get on the economic rebuild of the Canterbury region.

Obviously needs more analysis and information but the current structure doesn't appear to work. However we must be very careful; we need central Government and their financial help as Christchurch cannot fund the rebuild on its own. Have we got the big thinkers and hard hitters looking at what we need and the best way forward... or a good, well meaning bunch elevated beyond their capabilities? I think maybe the latter

Institutional Arrangements for Canterbury Moving Forward cont.

Gerry Brownlee cannot do Transport and Rebuild. Single point of accountability needed for region - needs to be a strong leader who is not part of the old boys network

Christchurch needs to be the heartbeat of a thriving regional economy where the interdependence and interrelationships with the city and its hinterland are understood, and realising the social, environmental and economic performance of the region becomes the focus of a united Canterbury Council.

Sort the functions out first and then decide a structure - don't ask for political solution (although public involvement is critical and the public needs to be efficiently involved)

Institutional Arrangements for Canterbury Moving Forward cont.

Key issue is to get alignment on leadership - CERA gone and an amalgamation in some form (maybe 4 or 5 Districts) as being the way forward.

ECAN cannot revert to elected governance without some change in the use and management of natural resources for economic as well as environmental values, and some central government coordination is needed. The urban interests are reasonably well served by CCC - could usefully change to a unitary authority as long as the linkages to the rural economy are accommodated. Selwyn and Waimakariri have demonstrated great strengths in recent times.

Transition

There is a lot of chatter about local government reorganisation.

One big council will be too hard - too soon. Not sufficient commonality of interest. Need one urban area and two rural areas.

ECAN - after the success of the Commissioners, I would advocate for 2/3 elected reps and 1/3 appointed reps

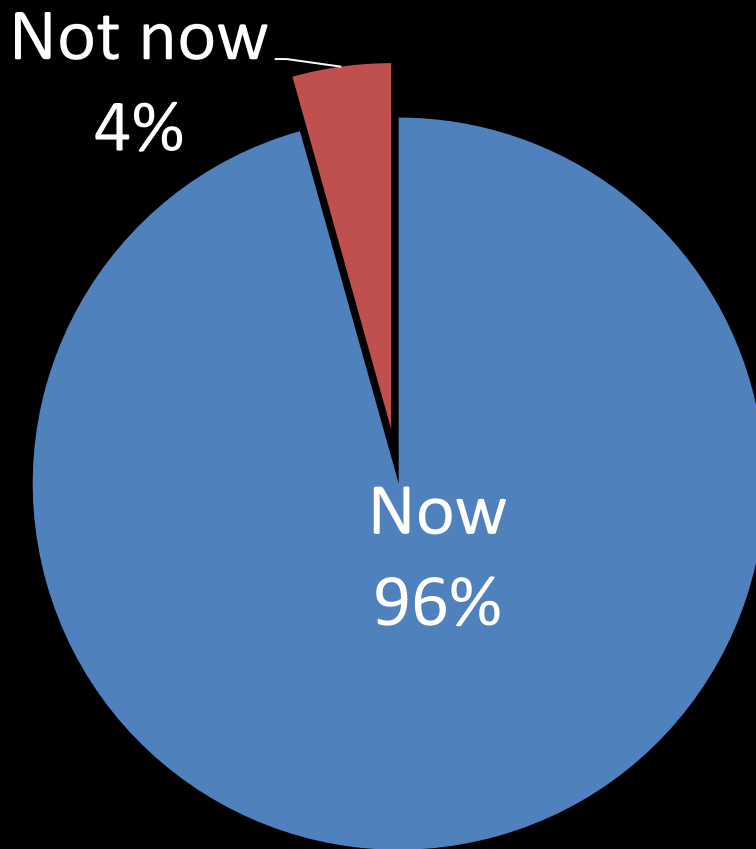
Have an Urban Canterbury and a Rural Canterbury

Forget about aligning for the future until 2015. We need to focus on making things work. Let's put some rubber on the road and do it

Set up some special purpose vehicles and the right commercial drivers to make things happen

The transition is an opportunity to unravel the mishmash

When is the right time to be thinking about transitional arrangements for the region beyond CERA?



Timing for transitional arrangements

Why wait.

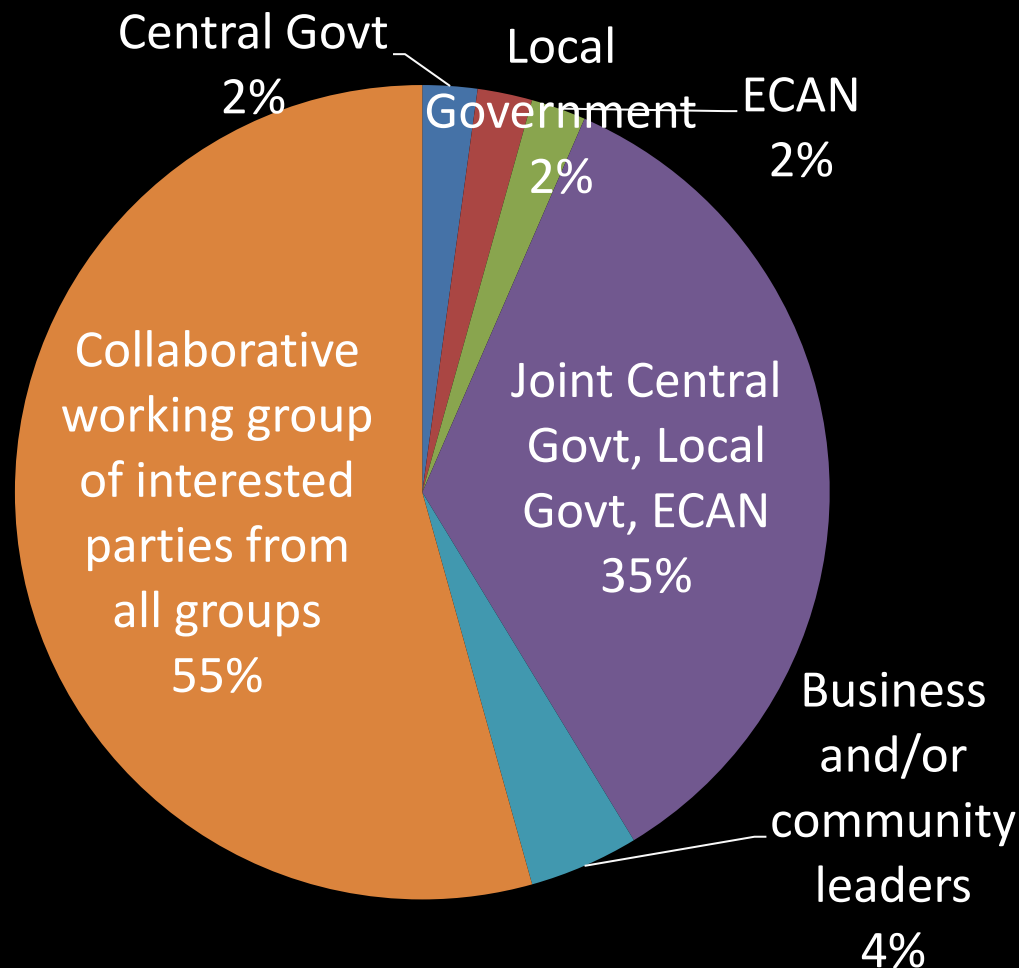
Get on with it now

A transition plan should already be in place - already too late.

If changes are going to happen, the structure and implementation needs to start now

Its needs to be resolved and clearly communicated, with a clear transition path spelled out at least 12 months in advance

Who should be leading the thinking about future institutional arrangements in Canterbury?



Who should be leading the thinking?

Again, practical people need to be involved, not the cardy wearing brigade

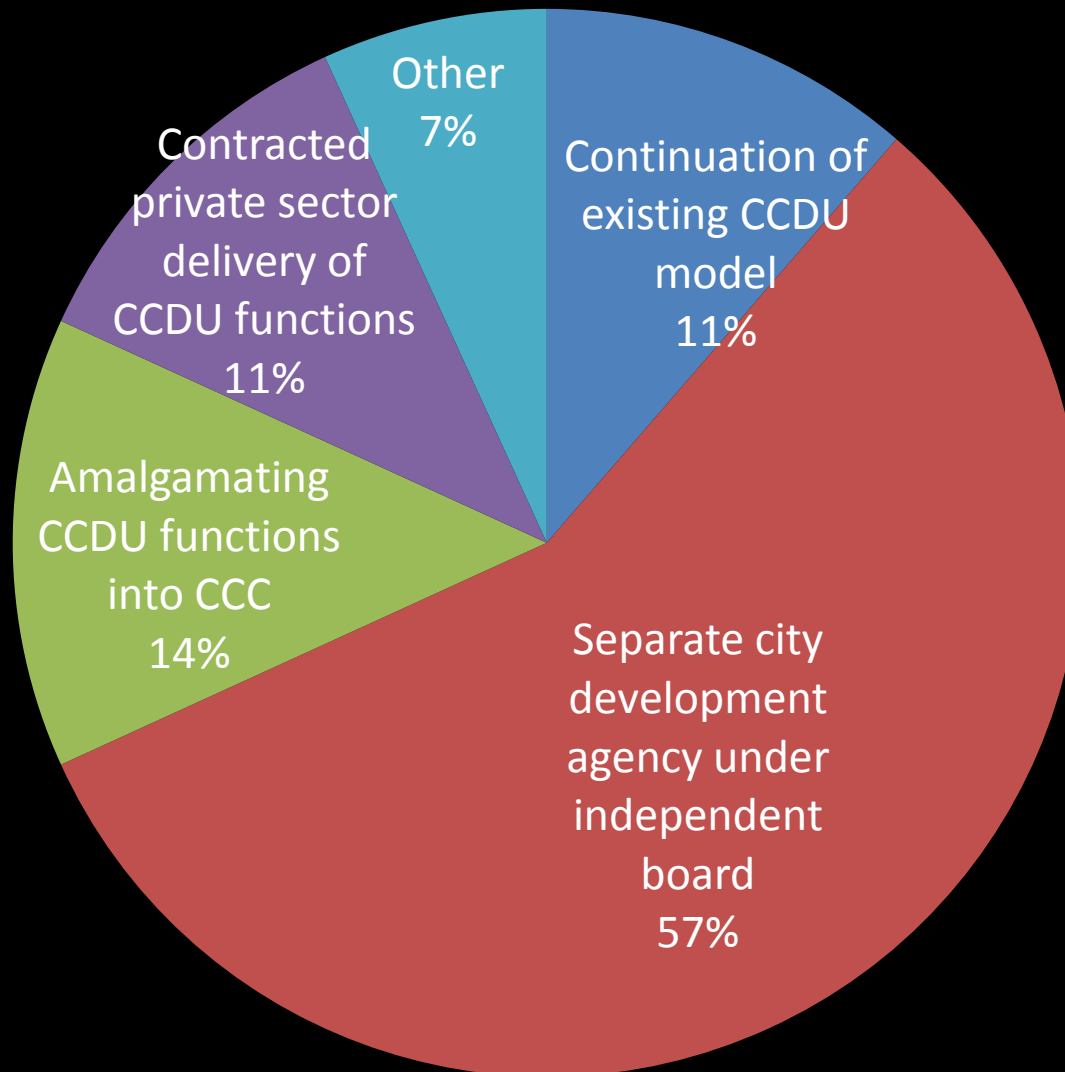
Visionary leadership is required

An appropriately resourced and skilled urban development agency model with autonomous decision making through a Board or similar and accountability mechanisms in place

Not quite Royal Commission status but a collaborative (not representative) group, strongly led to deal with the functional needs of governance in the future

Given the unique situation with water in Canterbury, a case can be made for a statutory specialist water agency.

CCDU Structure post 2016?



CCDU Structure post 2016

If CCDU continues as a CCO of a unitary authority, then it does need to have autonomy and appropriate delegated authority to execute projects or procurement processes within its remit.

Single agency that has ability to make decisions and get on with it - needs to have procurement maturity that knows how to engage with the private sector

Consider a dedicated delivery agency

Lets get some "business" acumen into CCDU

An autonomous entity empowered to make decisions needs to take control of the CBD rebuild

Immediate Priorities

- Undertake full risk assessment of CBD rebuild in the light of current market situation
- Publish integrated delivery master plan including the procurement pathway
- Adopt innovative outcome focussed whole of life procurement
- Early commitment to an independently governed, market facing urban development agency

By 2016

1. The formation of a Canterbury Council – a unitary authority which integrates economic, spatial, environmental, infrastructural and social development of the entire region, and works to best practice principles of:

- Long term planning,
- Good governance,
- Clarity around funding,
- The right regulation and planning processes,
- The right delivery channels
- Transparency around projects, processes, decision making & procurement

2. The transition process needs to commence now
- Strategic Alliance until Canterbury Council established in 2016

Moving Forward

NZCID

1. Hear your views
2. Finalise Report
3. Seek opportunity to provide briefing to Minister
4. Share findings with stakeholder groups

Stakeholders

1. Hear views and take on board lessons
2. Take action to institutionalise best practice





Thank you for your
contribution

