

The Treasury

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Release Document

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Cabinet

CAB Min (11) 13/9

Minute of Decision



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Canterbury Earthquake Recovery: Proposed Governance Arrangements (Paper 1)

Portfolios: Canterbury Earthquake Recovery / State Services

On 28 March 2011, following reference from the Ad Hoc Cabinet Committee on Canterbury Earthquake Recovery (ACE), Cabinet:

Background

- 1 **noted** the impact of the Canterbury earthquake on 4 September 2010 and the subsequent aftershocks, including the destructive aftershock on 22 February 2011;
- 2 **noted** that a state of national emergency remains in place, and is able to be extended under the Civil Defence Emergency Management Act 2002, in summary, so long as the Minister of Civil Defence is satisfied on reasonable grounds that the emergency has not ceased and an effective response continues to be beyond the resources of the local Civil Defence Emergency Management Group;
- 3 **noted** that a range of factors have been taken into account in determining that a new, single authority is needed to provide leadership and coordination of the ongoing recovery effort of Christchurch and the greater region, including:
 - 3.1 the scale of the post-earthquake rebuilding effort;
 - 3.2 lessons learnt from international experience and from the recovery planning after the 4 September earthquake;
 - 3.3 the need for timely and effective decision making processes;
 - 3.4 the significant co-ordination needed between local and central government, residents of greater Christchurch, Ngai Tahu, non-governmental organisations, business interests and the private sector;
- 4 **noted** that international experience from dealing with major disasters suggests that:
 - 4.1 the status quo was not sufficient to address the recovery from major disasters and, in each instance, a new authority was needed to focus on the recovery effort;
 - 4.2 recovery was a long-term activity;

- 4.3 recovery cannot just be about infrastructure – the social and economic contexts are equally, if not more, important;

Proposal governance arrangements for supporting the recovery efforts

- 5 **noted** that the overall concept is for the Minister for Canterbury Earthquake Recovery to have responsibility for coordinating the planning, spend and rebuilding activity necessary to effect the recovery in greater Christchurch and to be supported by an agency for that purpose;
- 6 **noted** that portfolio Ministers will retain their portfolio responsibilities and decision rights;
- 7 **invited** portfolio Ministers, when exercising those decisions in relation to greater Christchurch to ensure those decisions have been developed in collaboration with the Minister for Canterbury Earthquake Recovery so that those decisions are not inconsistent with the recovery effort;

Establishment of the Canterbury Earthquake Recovery Authority

- 8 **agreed** to establish a new public service department, the Canterbury Earthquake Recovery Authority (CERA) as the lead organisation with overall control and leadership of the ongoing recovery effort;
- 9 **agreed** that CERA will establish and maintain a close working relationship with the Christchurch City Council, Selwyn District Council, Waimakariri District Council, Environment Canterbury, Ngai Tahu, community and business interests and the private sector;

Establishment of community and cross-party parliamentary forums

- 10 **agreed** that the Minister for Canterbury Earthquake Recovery will invite approximately 20 members to participate in a community forum for the purpose of providing information and advice to the Minister, and that the community forum will meet at least six times per annum;
- 11 **agreed** that a cross-party parliamentary forum be convened for the purpose of sharing information on recovery efforts, comprising Members of Parliament with a constituency or matched electorate responsibility for greater Christchurch;
- 12 **noted** that the establishment of an advisory board could provide a useful sounding board and critical voice for the Chief Executive of CERA and an ongoing mechanism to hear directly the concerns of the community;
- 13 **noted** that having an advisory board would reduce the visibility and effect of a straight and clear line of accountability from the Chief Executive of CERA to the Minister for Canterbury Earthquake Recovery;
- 14 **agreed** that the existing advisory body, the Canterbury Earthquake Recovery Commission, be disestablished, as legislation allows;

Establishment of a Review Panel

- 15 **noted** that there is a need for an independent group of persons to review draft Orders in Council before they are finalised, and this review is considered a necessary component of the checks and balances of the new framework;
- 16 **agreed** that:
- 16.1 a Review Panel be established comprising four members appointed by the Minister for Canterbury Earthquake Recovery, including a former or retired High Court Judge as convener;
- 16.2 appointments to the Review Panel will be considered by the Cabinet Appointments and Honours Committee;
- 17 **agreed** that the Review Panel will provide recommendations to the relevant Minister within three business days of receipt of the draft Order in Council, to which the Minister must have regard;
- 18 **agreed** that the recommendations of the Review Panel will be publicly notified;
- 19 **agreed** that the Review Panel will report to the Minister for Canterbury Earthquake Recovery and meet virtually using technology or in person, as required;

Appointment of a Chief Executive

- 20 **noted** that the State Services Commissioner will appoint an Acting Chief Executive of CERA whose term will commence on 29 March 2011 and will expire when a permanent chief executive commences in the position;
- 21 **confirmed** the position description attached as Annex Four to the paper under CAB (11) 143 as a basis for selecting a suitable candidate for appointment as the permanent Chief Executive of CERA;
- 22 **noted** that the State Services Commissioner intends to complete the appointment process for a permanent Chief Executive within five weeks of the announcement of the establishment of a new department;

Financial implications

- 23 **agreed** to the establishment of a new Vote Canterbury Earthquake Recovery to be the responsibility of the Minister for Canterbury Earthquake Recovery and to be administered by CERA;
- 24 **agreed** that initial funding for this Vote be by way of a fiscally neutral transfer from the Vote Economic Development departmental output expense Policy Advice and Sector Leadership – Firm Capability, Sector and Regional Development;
- 25 **agreed** to establish in Vote Canterbury Earthquake Recovery a departmental output expense appropriation ‘Planning for the Recovery’ and that the scope of this appropriation be limited to expenses incurred in planning the recovery from the Canterbury earthquakes;
- 26 **agreed** that CERA is not able to commit fiscal expenditure beyond its appropriation;

- 27 **agreed** to increase Vote State Services (Remuneration and Related Employment Costs of Chief Executives appropriation) by \$0.150 million to cover the CERA Chief Executive's remuneration and expenses in 2010/11;
- 28 **agreed** to the following changes in appropriations to provide initial funding for CERA:

	\$m -- increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Vote Economic Development Minister for Economic Development Departmental Output Expense: Policy Advice and Sector Leadership -- Firm Capability, Sector and Regional Development; (funded by revenue Crown)	(0.500)	-	-	-	-
Vote Canterbury Earthquake Recovery Minister for Canterbury Earthquake Recovery Departmental Output Expense: Planning for the Recovery (funded by revenue Crown)	0.500	-	-	-	-
Vote State Services Minister of State Services Non-Departmental Other Expense: Remuneration and Related Employment Costs of Chief Executives	0.150	-	-	-	-

- 29 **agreed** that the changes to appropriations for 2010/11 in the paragraph above be included in the 2010/11 Supplementary Estimates and, in the interim, that the increase be met from Imprest Supply;
- 30 **agreed** that Budget Ministers, in consultation with the Minister for Canterbury Earthquake Recovery, should determine the amount of funding to be appropriated for CERA and any additional amount to be held in a tagged contingency for this purpose;

Orders in Council

- 31 **noted** that the State Sector (Canterbury Earthquake Recovery Authority) Order 2011 and the Ombudsmen Act (Schedule 1--Canterbury Earthquake Recovery Authority) Order 2011 (the Orders) add CERA to Schedule 1 of the State Sector Act 1988 as a public service department and to Schedule 1 of the Ombudsmen Act 1975;
- 32 **noted** that:
- 32.1 a waiver of the 28-day rule is required for the Orders, to enable establishment of the new department as soon as possible;
- 32.2 the waiver is justified on the grounds that establishment of the department is in response to an emergency;
- 33 **agreed** to the waiver of the 28-day rule, and that the Orders in Council will come into effect on 29 March 2011;

34 **authorised** the submission to the Executive Council of the:

34.1 State Sector (Canterbury Earthquake Recovery Authority) Order 2011
[PCO 15093/6.0];

34.2 Ombudsmen Act (Schedule 1–Canterbury Earthquake Recovery Authority) Order
2011 [PCO 15094/6.0].

Secretary of the Cabinet ✓

Reference: CAB (11) 143; ACE Min (11) 8/1
