

The Treasury

Budget 2013 Information Release

Release Document

July 2013

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- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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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.

Budget 2013

Four-year Plan

Canterbury Earthquake Recovery Authority

Covering:

Vote Canterbury Earthquake Recovery

Four-year Plan

20 December 2012

1.0 Strategic Direction

Purpose

The purpose of the Canterbury Earthquake Recovery Authority (CERA) is to lead and partner with communities to return greater Christchurch¹ to a prosperous and thriving place to work, live and play, as quickly as possible.

CERA was established in March 2011 following the September 2010 and February 2011 Canterbury earthquake sequence to lead, facilitate and coordinate the recovery. Special legislation was enacted (Canterbury Earthquake Recovery Act 2011 (CER Act)) setting out the functions of both the Minister and CERA to achieve the purposes of the CER Act. The CER Act expires on 19 April 2016.

Outcome Framework

The key outcome that CERA will deliver is the implementation of the 'Recovery Strategy for greater Christchurch Mahere Haumanutanga o Waitaha' which is an overarching, long-term strategy that will guide the reconstruction, rebuilding and recovery of greater Christchurch.

This outcome is a direct contribution to one of the Government's four priorities: Rebuilding Christchurch.

Better Public Services

CERA primarily contributes to the fourth Top Government Priority: Rebuilding Christchurch.

CERA does not lead any of the Better Public Services' ten results targets, although CERA has an interest particularly in target results 9 and 10 as they pertain to the rebuild of greater Christchurch.

Future state

Success for CERA in four-years is embodied in the Vision and Goals for the Recovery, as set out in the Recovery Strategy for Greater Christchurch Mahere Haumanutanga o Waitaha:

Greater Christchurch recovers and progresses as a place to be proud of – an attractive and vibrant place to live, work, visit and invest, mo tatou, a mo ka uri a muri ake nei – for us and our children after us.

In the short-term the recovery of greater Christchurch will move from a phase of beginning to rebuild, replace and reconstruct; through to a phase of construction, restoring and improving.

Indicative milestones are expected to be:

2013 – 2014:

- Completion of the demolition phase of CBD buildings and rebuilding of the CBD starts
- Continue repair of infrastructure and decisions made on long-term repair and provision of infrastructure
- Finish demolition of larger commercial buildings
- Government and statutory partners undertake recovery programmes
- Complete settlements and land clearance for residential red zone properties
- EQC and insurers undertake residential repairs and rebuilds

¹ In the Canterbury Earthquake Recovery Act 2011, 'greater Christchurch' is defined as the districts of the Christchurch City Council, the Selwyn District Council and the Waimakariri District Council, and includes the coastal marine area adjacent to these districts.

- New residential subdivisions established
- Facilities for sporting and cultural activities found
- Temporary buildings for entertainment and retail are constructed in greater Christchurch
- Confidence that CERA is making earthquake recovery decisions that are in the best interests of the residents of greater Christchurch

2015 and beyond:

- Improved quality of life for residents of greater Christchurch
- Government and strategic partners continue to implement recovery programmes
- Rebuilding and construction continues
- EQC and insurers complete residential repairs and rebuilds
- Major sporting and cultural facilities are under construction
- Recovery responsibilities are transferred when necessary.
- New arrangements put in place.

1.1 Operating or Business Model

CERA's operating model is one of leadership, enabling or supporting across a large work programme to achieve the Recovery Strategy for greater Christchurch.

The organisation is prioritising the programme of work in the three categories. Within the categories there are a large number of programmes each with different priorities. The prioritisation model has been based on best value for money; contribution of the Recovery Strategy milestones and integration across other programmes.

Figure 1 - CERA's Programme Categories

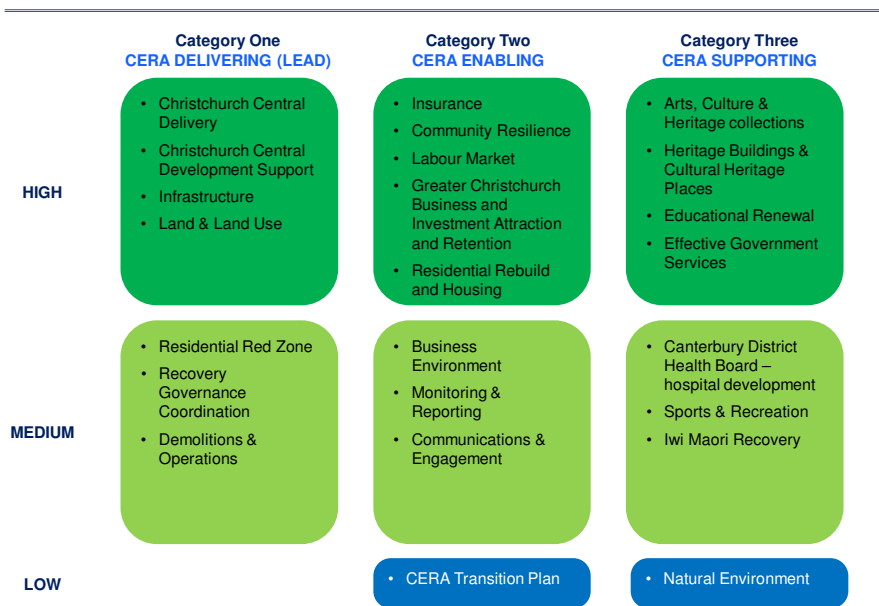
Programme Categories

We have proposed three categories of programmes – these are shown below:

	Category One CERA Delivering (Lead)	Category Two CERA Enabling	Category Three CERA Supporting
Criteria	High value programmes that CERA are responsible for delivering / budget owner <ul style="list-style-type: none"> • Key, externally communicated milestones • High profile and interest from public and Govt. • Significant budget • Significant resourcing (internal and external) 	Supporting programmes which CERA is responsible for delivering that are key enablers (i.e. they have milestones/activities that affect the successful delivery of Category One programmes) <ul style="list-style-type: none"> • Primarily funded from CERA operational budget 	Programmes that CERA is not responsible for but which contribute to / deliver recovery milestones. <ul style="list-style-type: none"> • They are delivered externally from CERA, and therefore our role is 'monitor', help resolve issues impeding delivery, and ensure alignment with other programmes
Programmes	<ul style="list-style-type: none"> • Christchurch Central Delivery • Christchurch Central Development Support • Infrastructure • Land & Land Use • Residential Red Zone • Recovery Governance Coordination • Demolitions & Operations 	<ul style="list-style-type: none"> • Residential Rebuild and Housing • Insurance • Community Resilience • Labour Market • Greater Christchurch Business and Investment Attraction and Retention • Business Environment • Monitoring & Reporting • Communications & Engagement • CERA Transition Plan 	<ul style="list-style-type: none"> • Arts, Culture & Heritage collections • Heritage Buildings & Cultural Heritage Places • Educational Renewal • Effective Government Services • Canterbury District Health Board – hospital development • Sports & Recreation • Iwi Maori Recovery • Natural Environment

Figure 2 - Prioritisation Matrix for CERA's Work Programme

Prioritisation of CERA Programmes



2.0 Medium-term Intentions

CERA has identified a number medium-term intentions to deliver on the purpose of leading and partnering with communities the return of greater Christchurch to a prosperous and thriving place.

Over the period of this Four Year Plan, the CERA's Intentions are:

1. Manage the residential red zone on flat land and the Port Hills
2. Manage the demolitions in the Central Business District
3. Recovery of the Central Business District
 - a. Planning and construction of key Anchor Projects in Central Christchurch
 - b. Land acquisition for Anchor Project sites
 - c. Development of the Frame and Te Papa o Otakaro/Avon River Precinct
 - d. Design of the Metro Sports Facility
 - e. Design of the Convention Centre Precinct
 - f. Other Anchor Projects
4. Rebuild of horizontal infrastructure
5. Manage the recovery and transition
6. Implement recovery cost sharing arrangements between Crown and relevant Councils.

3.0 Organisational Capability and Workforce

3.1 Identifying the Capability

CERA is a unique organisation as it is one that has been set up to achieve a specific purpose in a set period of time. From a workforce strategy perspective, this presents us with both a wonderful set of opportunities but also a range of interesting challenges.

The workforce strategy, which is an internally focused strategy, needs to ensure that CERA has the right people with the right tools to deliver the work programme that will achieve CERA's purpose and vision by April, 2016 and that balances our central government compliance responsibilities with needing to be a flexible, dynamic and fast moving organisation.

The right people are those who are aligned with our vision and values and those who have the skills, experience, flexibility and attitude to hit the ground running in the CERA environment.

The right tools are those key strategies that ensure our people have the ability to achieve the functions of their position in the most efficient and effective way possible. These include (but are not limited to) a streamlined and efficient organisational structure that supports the delivery of our work plan, clarity of individual and group responsibilities and goals, a strong culture based on values, regular and constructive feedback on performance, reward and recognition frameworks, open, honest and informative communication, accurate, quality information, people systems that enable and improve performance, and health, safety and wellness support initiatives.

Since our inception our organisation has changed from a period of short term rapid response to a period of medium to long term planned recovery with the objective of continuing the momentum towards achieving our goal of supporting and enabling greater Christchurch to take back responsibility for its ongoing and future recovery.

CERA is divided into five groups lead by Deputy Chief Executives

- Corporate and Governance
- Social and Cultural Recovery
- Implementation/Christchurch Central Development Unit
- Communications
- Recovery Strategy, Policy and Planning

In making sure we have an organisational structure designed to both deliver the operational aspects of the work plan in the most efficient and effective way and to achieve our purpose and vision for greater Christchurch we have developed a matrix structure for the organisation. The matrix approach to how we design our structure underpins the finalisation and clarity over our work programme and the confirmation of who the programme sponsors, programme and project managers are across the organisation. With form following function it is crucial that we are structured in the best way to deliver the objectives in the work programme.

Developing a clear work programme and structure to support the delivery of the key objectives within it means we have and can communicate a clear direction enabling better recovery leadership. We can also develop individual group business plans, agree CERA's

role against certain milestones and resource accordingly to then be in a position to provide clarity on accountabilities both internally and externally.

A matrix organisational structure is one that facilitates the horizontal flow of skills and information. It draws employees from different functional disciplines for assignment to a project or programme team without removing them from their respective positions. Employees in our matrix structure report on day-to-day performance to the manager accountable for the programme of work whose authority flows sideways (horizontally) across departmental boundaries however they also continue to report on their overall performance to the head of their group whose authority flows downwards (vertically) within his or her department.

The two key pressures the organisation is facing as we move through our lifespan are wellness and retention.

The fixed term nature of the organisation is our greatest risk and whilst attracting good people at this stage is not presenting overall significant challenges this will change over time as our 'end date' becomes closer. Within this challenge is the need to attract certain specialised skill sets like financial analysis and senior public service experience. The mitigation strategy in place is to contract in services for varying periods, and through training. At the same time retention of key people may become an issue and is one mitigation strategy that is in development.

CERA is a demanding and intensive business where the expectations of our purpose, vision and the public interest and attention take its toll on the organisation and its people. This remains a matter of concern as we increase/change our responsibilities and as we move further through our timeline for achieving our purpose.

As part of our workforce strategy it is important that the demands and personal impacts on key people are addressed through the development of our CERA wellness programme, new employee support initiatives, ensuring good use of secondments and project resourcing to manage workloads and that we provide the tools for CERA staff and key stakeholders to feel supported and ensure their wellbeing in the workplace.

3.1.1 Corporate and Governance

The Corporate and Governance Group is responsible for ensuring CERA has the financial, legal, organisation, people, systems and culture capable of delivering its strategic objectives. The group acts as a shared service across CERA providing strategic and operational advice and support to the Chief Executive, the Leadership Team and all other CERA employees and contractors to ensure that effective strategies, processes, systems and policies are developed and integrated into all relevant activities across CERA.

The group is responsible for the day to day delivery of the following work streams;

- Corporate Planning, and Chief Executive and Ministerial Support
- Official Correspondence
- Finance, including risk, project management office and procurement
- Legal Services
- Human Resources, including Health and Safety
- Information Services

3.1.1.1 Phasing and Obtaining the Capability, Corporate and Governance

- Support structures will need to be in place through to the end of the organisations lifespan
- Peaks at the outset in certain areas as systems and processes set up but these taper into a business as usual framework
- Corporate and Governance in support of the wider organisation remains fairly stable over the four year period however will flex as required in line with the organisational needs.
- Recruitment resourcing will peak through 2012 and 2013 as we fill our structures however will taper off with only one FTE through to 2016
- Legal will remain fairly stable in support of the organisation with the team of senior and legal advisors scheduled to be in place through to 2016
- IT will also remain fairly stable in support of the organisation with the team scheduled to be in place through to 2016. Additional project related IT support will be sourced through external providers through contract for services arrangements
- Specialist expertise and additional resourcing for any project related or sudden peaks in need will be resourced by a variety of secondment, shorter term employment arrangements and contract for services
- Secondments through central and local government agencies allow us to source this specialist expertise as we need it.

3.1.1.2 Pressures in Obtaining and Retaining the Capability, Corporate and Governance

- The real pressure will come in this area in retention and the high risk timeframe will be 2015, one year out from the 'end' of CERA.
- Given Corporate and Governance support are functions that need to be in place for the duration of CERA's existence and some projects are expected to run past the 2016 'end date' of CERA it will be crucial to provide direction to key people well before April 2016.
- Health and Safety is an area where we understand there to be challenges in attracting and retaining the best people. The high demand for this expertise in Christchurch at the present time is only expected to become more of a challenge.

3.1.2 Social and Cultural Recovery

The Social and Cultural Recovery Group activities need to offer responsive and flexible support for individuals, households and communities. This includes help to cope with stress and uncertainty and minimise potential hardship and unnecessary disruption to housing, education and health. Communities need to be supported, so they can rebuild their strength and resilience for present and future generations.

The Social and Cultural Recovery Group aims to strengthen community resilience and enhance the quality of life for residents and visitors. It focuses on strengthening and supporting existing collaborative initiatives with Greater Christchurch, engaging with communities, including iwi, to encourage full participation in planning and supporting the development of neighbourhood plans and initiatives, including 'early wins', which strengthen communities.

Restoring community wellbeing will need to include activities to support the recovery of the education system, people's health, employment and housing. Being mindful of people's emotional wellbeing is an integral part of this work.

Cultural activities are also an integral part of life in greater Christchurch, our identity as a region and a significant attraction for locals and visitors. There are opportunities to consider cultural, sporting and recreational activity requirements in a more holistic and integrated manner with all partners working together to map community needs and, where appropriate provide multi-function facilities. Retention and conservation of the restorable heritage buildings, places, archaeological sites and places of cultural significance to Ngāi Tahu will help recreate that distinctive sense of place and identity that defined the region and contributed to its economic development.

3.1.2.1 Phasing and Obtaining the Capability, Social and Cultural Recovery

The Social and Cultural Recovery Group is one group that will increase in size over CERA's lifespan.

- With a focus on community resilience, effective government services including labour market, education, and housing, customer and community services, and the rebuild programme these are all future focused recovery programmes of work that will require additional resourcing as we move through our long term recovery
- Lessons learned from recoveries of similar nature including the recent Australia bush fires and floods clearly show that the area of social recovery is one that needs to be priority resourced to ensure the 'people' recovery following a disaster such as that of the Christchurch Earthquakes.
- The Outreach Enquiry Management and Resolution Service 'Hub' is one area however that will be discontinued in early 2013. This coincides with the community and customer services group (the contact centre) taking responsibility for outreach work.
- We will continue to review what other agencies in the community are undertaking in this area and will amend our structure in support of this accordingly and as required.
- Given the long term focus of the social and cultural recovery it is anticipated that the resourcing in this area will increase and will likely peak over the 2013-2015 period as programme sponsor and project manager for the rebuild programme.

3.1.2.2 Pressures in Obtaining and Retaining the Capability, Social and Cultural Recovery

- CERA is a demanding and intensive business where the expectations of our purpose and vision and the public interest and attention takes its toll on the organisation and its people, especially those in customer facing roles within the Social and Cultural Recovery group.
- The contact centre is one area that requires constant wellness monitoring and being clever about how we manage workloads, pressures from 'difficult' subject matters and customer interaction is crucial. Professional supervision, employee support services, ongoing monitoring and the CERA wellness programme are all initiatives that will support this group throughout our tenure.
- Given the depth of knowledge in this area the contact centre provides a springboard of talent for the rest of the organisation so consequently turnover in this area is higher than others across the organisation.
- This is a benefit to other areas but can prove a challenge in the contact centre in ensuring we have consistency, continuity of service and that we are not training new staff daily.
- The unprecedented nature of the work in social and cultural recovery following an event of such significance means that obtaining expertise in the area may be a

challenge. This hasn't presented itself up to this time however will be monitored as we move through our lifespan.

- Specialist expertise through government agencies and through international experience will be obtained via secondments and contract for services as required.

3.1.3 Implementation/Christchurch Central Development Unit

The purpose of the Implementation/Christchurch Central Development Unit is to drive the rebuild of the Christchurch Centre as part of the recovery of Canterbury from the earthquakes.

The group's role is to co-ordinate, facilitate and lead the implementation of the Christchurch Central Recovery Plan. This will involve working collaboratively with our key partners, particularly the Christchurch City Council, Te Runanga o Ngai Tahu and stakeholders across the public and private sector.

The Implementation/Christchurch Central Development Unit is made up of five sub-groups.

- Capital Investment and Insurance Recoveries
- Development Services Unit
- Design and Planning
- Christchurch Central Project Delivery
- Operations

Capital Investment and Insurance Recoveries

The Capital Investment and Insurance team is responsible for capital markets and investment strategy i.e. the development of an integrated strategy for attracting providers of development capital, equity and debt funding across the Institutional, HNWI and Retail market sectors, the performance and monitoring of crown investments i.e. supporting the CERA Funding and Finance work stream coordination, in particular the prioritisation of public sector investment, and leading the engagement with Treasury for CERA on funding and financing issues for public sector investment in the recovery, insurance recoveries, business case analysis i.e. Developing the core analysis in regards to business cases for anchor projects and incentives and working with the Development Services Team in completing deliverables required to achieve CCC and Cabinet approvals and funding and philanthropy.

Development Services Unit

The Development Services Unit is responsible for Operational Policy relating to the implementation of the Christchurch Central Recovery Plan. The Development Services Unit will work across with the Recovery Strategy, Policy and Planning group to ensure all policy development is consistent with our overall Recovery Strategy.

Design and Planning

The Design and Planning team is responsible for scoping, refining, monitoring and reporting on appropriate design and planning programmes of work, including the central city Anchor Projects relevant to the Christchurch Central Recovery Plan.

Christchurch Central Project Delivery

The Christchurch Central Project Delivery team are responsible for overseeing the delivery of the following key functions and associated programmes of work within the CCDU;

- Anchor Project delivery
- Land Acquisition Programme
- Christchurch Central Construction Management Office

Operations

The Operations Group manages the clearance of dangerous or earthquake-damaged, commercial and domestic built structures in greater Christchurch in order to enable the economic, social and cultural recovery of our community.

Within the CBD the Operations Group manages the clearance of dangerous and repair of damaged buildings in order to enable the rebuild to commence. The Operations Group controls all access to the cordoned area of the CBD in order to ensure a safe and secure working environment as well as to enable effective coordination of the demolition effort.

In those cases where CERA acts as principal for building demolition work the Operations Group is responsible for recovering the costs of the work from building owners.

In the residential red-zone areas of greater Christchurch, the Operations Group is tasked to clear the land acquired by the Crown as a consequence of the zoning process. The clearance process includes the removal of built structures, fences and paths, the disconnection of in-ground services, and the maintenance of properties and avoidance of hazards and risks whilst the insurance settlement process is completed.

3.1.3.1 Phasing and Obtaining the Capability, Implementation/Christchurch Central Development Unit

- The Christchurch Central Development Unit is focused on the rebuild and given this, is a group that will increase in size over CERA's lifespan.
- The Anchor Projects are a key part of this group and the acquisition of the land, attracting the investment, implementing the design and planning phase and delivering the construction of the project are all facets of most if not all projects.
- The expertise required over all projects is wide ranging and the phasing of resourcing dependant on the project and our role within it i.e. some projects we may have a role in attracting the investment and assessing the business case however the project may then be handed over to a private entity to design, plan and deliver.
- By the end of 2012/early 2013 will have placed the four key Project Directors who will coordinate the phasing and scoping of each Anchor Project which will have a direct impact on the timing of the capability requirement. It is likely that project resources will need to be in place longer than the anticipated 'end date' of CERA in 2016.
- With the responsibility for land clearance in the central business district and residential red zone, the operations subgroup resourcing will decrease over time and will likely cease to exist after mid-2015 on completion of this activity.

Resourcing numbers start dropping off significantly in mid-2013 and will continue to do so on a gradual decline through to mid-2015.

- A number of individuals and areas of expertise will transition into rebuild activities which will peak from 2013 through to 2016

3.1.3.2 Pressures in Obtaining and Retaining the Capability, Implementation/Christchurch Central Development Unit

- With some Anchor Project schedules expected to run longer than the 'end date' of CERA in 2016 it will be crucial to provide direction to key people well before April 2016. CERA will be developing a transition plan over the next year, and will factor in these considerations (see section 6.5, Intention 5 Managing the recovery and transition).
- Balancing our fiscal responsibility with challenges in obtaining specialist expertise that is currently in high demand in Christchurch is a potential pressure point as we move into early 2013 and peak recruitment activity in this area.
- We have the advantage of those interested in working for CERA being passionate about our purpose and about contributing to the rebuild. To this point the value of this to the individual has outweighed the opportunity cost of any drop in remuneration. We will address this only on exception and with close links to performance outcomes if the need arises.
- Risks around retention especially, but not limited to, as we move closer to our 'end date' of 2016 in the capital investment area will need to be mitigated. Succession of relationships and the trust, confidence and quality built up in these long term relationships are the key to our success in this area.

3.1.4 Communications

The Communications group helps manage key relationships with the community, the Minister's office, partner organisations and other stakeholders. It produces a range of external communications including newspaper supplements, letters to residents, web and social media updates, speeches, information sheets, videos and is responsible for CERA's media liaison.

3.1.4.1 Phasing and Obtaining the Capability, Communications

Communications as a support group for the organisation will need to be in place through to the end of CERA's lifespan

- Peaks at the outset in certain areas as systems and processes set up and those peaks relating to initial policy decisions such as land zoning or programme launches such as the Christchurch Central Development Unit for example but these taper into a business as usual framework as we move forward from 2013
- Communications runs an account management philosophy in support of the wider organisation remains fairly stable over the four year period however will flex as required in line with the organisational needs.
- Additional project related communications support will be sourced through external providers through contract for services arrangements
- Specialist expertise and additional resourcing for any project related or sudden peaks in need will be resourced by a variety of secondment, shorter term employment arrangements and contract for services
- Secondments through central and local government agencies allow us to source this specialist expertise as we need it

- 2013 will see a consolidated approach to event delivery which will see an overall reduction in full time equivalent (FTE) numbers required to deliver this service across the organisation.

3.1.4.2 Pressures in Obtaining and Retaining the Capability, Communications

- The real pressure will come in this area in retention and the high risk timeframe will be 2015, one year out from the 'end' of CERA.
- Given Communications support is a function that need to be in place for the duration of CERA's existence and some projects are expected to run past the 2016 'end date' of CERA it will be crucial to provide direction to key people well before April 2016.
- CERA is a demanding and intensive business where the expectations of our purpose and vision and the public interest and attention takes its toll on the organisation and its people, especially those in customer facing roles such as some areas of communications so wellness monitoring | this area will also be a priority.

3.1.5 Recovery Strategy, Planning and Policy

The Recovery Strategy, Planning and Policy Group has three core functions:

- The provision of high quality and timely policy advice to the Minister for Canterbury Earthquake Recovery on matters relating to the recovery of greater Christchurch from the 2010 and 2011 earthquakes; and
- The provision of recovery strategy and planning advice to the Minister for Canterbury Earthquake Recovery in a manner consistent with the requirements of the Canterbury Earthquake Recovery Act 2011. This includes leading the development of the Long-Term Recovery Strategy for the reconstruction, rebuilding, and recovery of greater Christchurch and the coordination across central and local government, and with key partners and the community of the development of Recovery Plans (consistent with the Long-Term Recovery Strategy).
- Programme Sponsor of the cross-agency housing system work programme to support the rebuilding and recovery of the greater Christchurch.

The Recovery Strategy, Planning and Policy Group is made up of three teams that will work together to ensure these functions are appropriately supported.

The Recovery Strategy and Planning Team is broken into an integration and monitoring team and a planning team and the Policy team is made up of a team responsible for all policy relating to social, cultural and economic policy and a team responsible for all policy relating to the built and natural environment, including insurance.

The Housing group within Recovery Strategy, Planning and Policy ensures effective leadership, senior management oversight, strategy and co-ordination of the cross-agency housing system work programme to support the rebuilding and recovery of the greater Christchurch.

Overall, the Recovery Strategy, Planning and Policy team will ensure robust strategic, policy and planning provisions are developed.

The team will also be required to implement processes for networking, consultation and decision making with key various external stakeholders including central and local

government and Te Runanga o Ngāi Tahu to ensure that on-going strategy and plans are effectively integrated across the key recovery areas and ultimately, are in line with the objectives and priorities of the overarching Recovery Strategy.

3.1.5.1 Phasing and Obtaining the Capability, Recovery Strategy, Planning and Policy

The recovery strategy and planning functions within this group will be in place for the duration of CERA's lifespan.

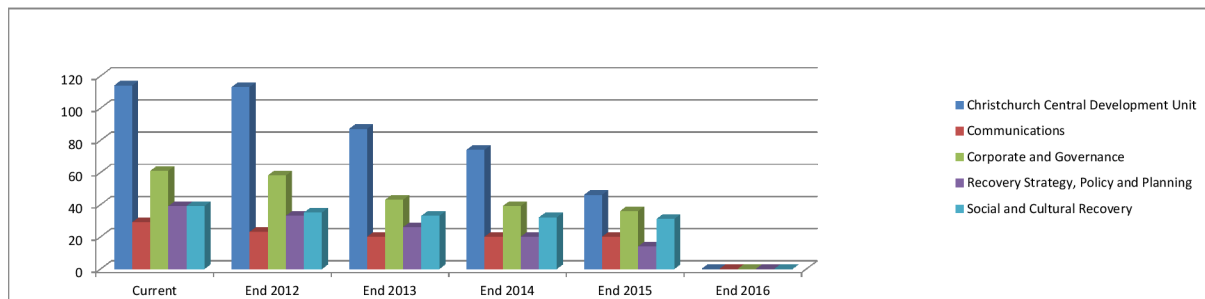
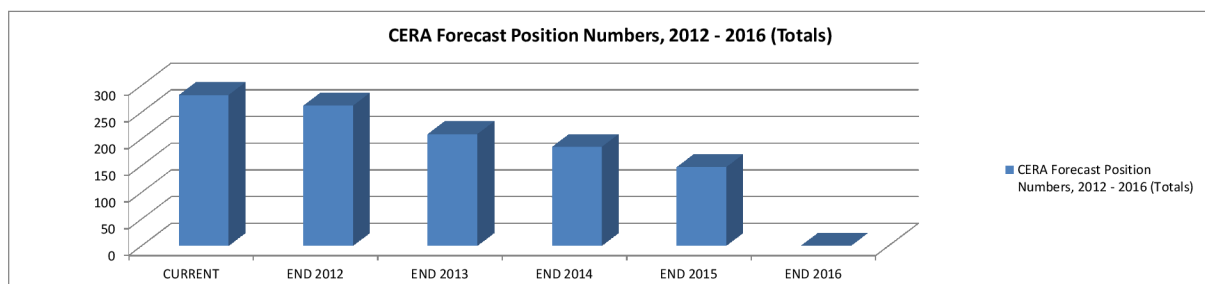
- The policy group however will start to reduce in size from 2014 onwards and from end-2015 will merge together with the strategy and planning area which whilst will be resourced to end-2016 will start to reduce in size from mid-2013 also.
- Our current philosophy in this area will continue where specialist policy expertise and additional resourcing for any project related or sudden peaks in need will be resourced by a variety of secondment, shorter term employment arrangements and contract for services

3.1.5.2 Pressures in Obtaining and Retaining the Capability, Recovery Strategy, Policy and Planning

- Sourcing expertise in developing policy relating to the unprecedented nature of CERA's work programme will be a challenge.
- Clever use of secondments from central and local government and contracted specialist expertise as required will mitigate this risk.

3.2 Forecast Workforce

The 2012 – 2016 forecast total workforce, and by business group, are shown below. The changing shape of the workforce reflects the expected changes in the work programme. Overall there is a declining workforce across the organisation, and each business group for the remaining term of the organisation.



These figures are indicative of our current programme of work. CERA will always be an organisation that evolves over time as our responsibilities and work programmes change and certain projects or programmes are completed or taken on. We will continually review our structures to make sure we are as efficient and effective as possible and are always working towards delivering on our purpose and vision.

Further information on people numbers and costs are included in section 6.5, Intention 5 Managing the recovery and transition (Tables 59 and 60).

4.0 Summary of Total Financial Impact

Funding for CERA's activities has grown over the past two years and is unlikely to slow in the short term. The response to the earthquakes of 2010 and 2011 by central government has been unprecedented.

The following chart represents approved funding for CERA for both Departmental and Non-Departmental activities.

Approved Funding by Appropriation

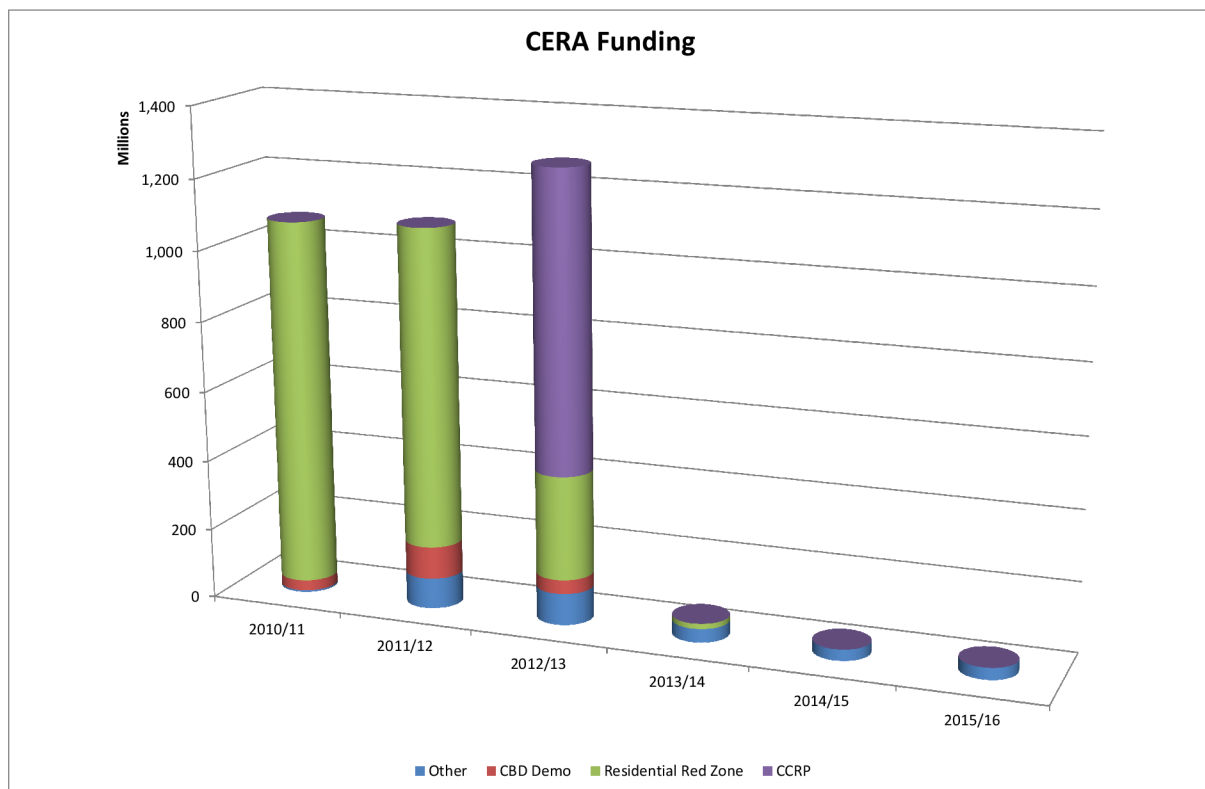
Table 1 - Summary of Current CERA Funding by Appropriation

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Output Expense Appropriations					
Policy Advice	5.392	4.300	3.800	2.800	16.292
Managing the Recovery	42.627	33.816	27.376	30.144	133.963
Red Zone Property Acquisition Costs	3.994	-	-	-	3.994
Total Departmental	52.013	38.116	31.176	32.944	154.249
Non-Departmental					
Output Expense Appropriations					
Canterbury Earthquake Property Demolition and Related Costs Compensation	96.620	5.310	-	-	101.930
Other Expense Appropriations					
Red Zone Property Management Costs	99.469	9.574	-	-	109.043
Acquisition of Canterbury Red Zone Properties	116.248	-	-	-	116.248
Contribution to Legal Fees	3.410	-	-	-	3.410
Procurement of Rockfall Protection Systems	8.000	-	-	-	8.000
Construction of Land Slip Removal in the Port Hills	2.000	-	-	-	2.000
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs	41.500	-	-	-	41.500
Holding Costs for Land Acquired for Anchor Projects	20.000	-	-	-	20.000
Anchor Project Development Costs for the Papa o Otakaro / Avon River Precinct	10.000	-	-	-	10.000
Anchor Project Development Costs for the Convention Centre Precinct	10.000	-	-	-	10.000

Anchor Project Development Costs for the Metro Sport Facility	10.000	-	-	-	10.000
Capital Expense Appropriations					
Canterbury Earthquake Demolition Related Property Purchases	5.000	-	-	-	5.000
Anchor Projects Land Acquisition	716.000	-	-	-	716.000
Anchor Project Development Costs for the Frame	81.000	-	-	-	81.000
Total Non-Departmental	1,219.247	14.884	-	-	1,234.131
Grand Total	1,271.260	53.000	31.176	32.944	1,388.380

The following chart represents approved funding for CERA for both Departmental and Non-Departmental activities from inception in 2010/11.

Table 2 - CERA Funding



Other	Departmental (operational expenses) and Non-Departmental for the Stadium and Infrastructure.
CBD Demo	Making safe and demolition of Central Business District buildings.
Residential Red Zone	Purchase, management, demolition, clearance and rates.
CCRP	Approved Non-Departmental costs for anchor project land acquisition and development.

Savings Identified

Table 3 - Savings Identified due to Reprioritisation

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Procurement of Rockfall Protection Systems (refer 6.1)	(8.000)	-	-	-	(8.000)

Reallocation of Funding

Table 4 - Reallocation of Funding due to Phasing of Costs and Reprioritisation

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation Note: Phasing Only (refer 6.1)	(41.901)	14.690	27.211	-	-
Red Zone Property Management Costs Note: Phasing Only (refer 6.1)	(64.469)	25.426	39.043	-	-
Canterbury Earthquake Property Demolitions and Related Costs Compensation Note: Pressure Offset (refer 6.2)	5.000	-	-	-	5.000
Canterbury Earthquake Demolition Related Property Purchases Note: Underspend Available (refer 6.2)	(5.000)	-	-	-	(5.000)
Anchor Project Land Acquisitions Note: Phasing Only (refer 6.3)	(65.000)	65.000	-	-	-
Anchor Project Development Costs for the Frame Note: Phasing Only (refer 6.3.1)	(5.000)	-	-	-	(5.000)
Anchor Project Development Costs for the South Frame (<i>new appropriation</i>) Note: Phasing Only (refer 6.3.1)	5.000	-	-	-	5.000
Total	(171.370)	105.116	66.254	-	-

Funding Pressures

Table 5 - Funding Pressures Arising from New and Increased Activities

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Managing the Recovery Note: Central City Development Unit Only (refer 6.3)	7.231	8.798	7.576	7.503	31.108
Managing the Recovery Note: Enabling Partners (refer 6.3.5)	0.500	-	-	-	0.500
Managing the Recovery Note: Enabling Partners (refer 6.3.5)	2.500	-	-	-	2.500
Managing the Recovery Note: Other CERA activities (refer 6.5)	-	7.884	11.382	8.962	28.228
Total	10.231	16.682	18.958	16.465	62.336
Non-Departmental					
[9]					
Anchor Project Development Costs for the Earthquake Memorial (<i>new appropriation</i>) Note: (refer 6.3.5)	1.000	-	-	-	1.000
Anchor Project Development Costs for the Justice and Emergency Services Precinct (<i>new appropriation</i>) Note: (refer 6.3.5)	3.000	-	-	-	3.000
Anchor Project Development Costs for the Square (<i>new appropriation</i>)	3.000	-	-	-	3.000

Note: (refer 6.3.5)					
[9]					
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs Note: (refer 6.4)	18.000	-	-	-	18.000
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs Note: (refer 6.4)	50.000	-	-	-	50.000
Total	97.000	134.000	44.000	-	275.000
Grand Total	107.231	150.682	62.958	16.465	337.336

Summary by Appropriation

Table 6 - Summary of Proposed CERA Funding by Appropriation

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Policy Advice	5.392	4.300	3.800	2.800	16.292
Managing the Recovery	52.858	50.498	46.334	46.609	196.299
Red Zone Property Acquisition Costs	3.994	-	-	-	3.994
Total Departmental	62.244	54.798	50.134	49.409	216.585
Non-Departmental					
Canterbury Earthquake Property Demolition and Related Costs Compensation	59.719	20.000	27.211	-	106.930
Red Zone Property Management Costs	35.000	35.000	39.043	-	109.043
Acquisition of Canterbury Red Zone Properties	116.248	-	-	-	116.248
Contribution to Legal Fees	3.410	-	-	-	3.410
Construction of Land Slip Removal in the Port Hills	2.000	-	-	-	2.000
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs	109.500	-	-	-	109.500
Holding Costs for Land Acquisitions	20.000	-	-	-	20.000

[9]					
Anchor Project Development Costs for the Convention Centre Precinct	10.000	-	-	-	10.000
Anchor Project Development Costs for the Metro Sport Facility	10.000	-	-	-	10.000
[9]					
Anchor Project Development Costs for the Earthquake Memorial (<i>new appropriation</i>)	1.000	-	-	-	1.000
Anchor Project Development Costs for the Justice and Emergency Services Precinct	3.000	-	-	-	3.000
[9]					
Anchor Project Development Costs for the Frame	-	28.000	48.000	-	76.000
Anchor Project Development Costs for the North Frame (<i>new appropriation</i>)	6.000	21.000	-	-	27.000
Anchor Project Development Costs for the South Frame (<i>new appropriation</i>)	5.000	-	-	-	5.000
Total Non-Departmental	1,060.877	282.000	158.254	-	1,501.131
Grand Total	1,123.121	331.798	208.388	49.409	1,717.716

5.0 Key Operational Risks

1. CERA recognises that Risk Management is a discipline that supports organisations with a structured way of understanding what they want to achieve, working out what might affect that, how likely it is, deciding what systems and protocols to put in place to address those situations, and putting them in place. When implemented effectively, actions can be taken by those that own a risk, to mitigate the risk. In some instances where further assurance is required as a mitigation step, internal audit programmes are linked effectively to key risks.
2. To date CERA has managed risk on key project and programmes in an effective, but simplistic manner. The Senior Leadership Team is currently working through a process of strengthening the risk framework to ensure a risk management culture is embedded within the organisation and this risk framework incorporates programme risk, organisational risk and where appropriate wider recovery risk.
3. As part of their governance role of CERA, the Senior Leadership team have had an initial review of the risk framework and completed an initial review of CERA's top 10 risks (at this point in time) that link to the work programme. The top 10 risks will be reviewed by the Senior Leadership team to ensure that risk owners are effectively managing the risks, whether risks are still in the top 10, whether new risks need to be included in the top 10, and whether the risk framework is being effectively managed at lower levels of the organisation.

6.0 Detailed Activity and Financial Planning

Over the period of this Four Year Plan, the Canterbury Earthquake Recovery Authority's Intentions are:

1. Manage the residential red zone on flat land and the Port Hills
2. Manage the demolitions in the Central Business District
3. Recovery of the Central Business District
4. Rebuild of horizontal infrastructure
5. Manage the recovery and transition
6. Implement recovery cost sharing arrangements between Crown and relevant Councils.

6.1 Intention 1: Manage the Residential Red Zone on flat and the Port Hills

Following the devastating Canterbury earthquakes the Crown has offered to purchase 7860 properties in the residential red zone areas of greater Christchurch on both flat land and the Port Hills. This programme will govern and coordinate the process of acquiring land and property in the residential red zone, supporting homeowners with transitioning and then managing the stranded assets until Government decisions about the future use of acquired land are made and can be implemented.

Once settlement with the property owner is complete the ownership of the residential properties is the responsibility of the Crown. Some of the properties will be cleared by the private insurers before settlement, and the Crown is assigned the insurance claim for loss or damage to the dwelling against the EQC and the private insurers (option 1); whereas other properties will be the responsibility of the Crown (CERA) to clear, and the land claim against the EQC is assigned to the Crown (option 2).

The following table records approved funding for the Residential Red Zone including the purchase of the individual properties, demolition and site clearance, on-going management and Port Hill protection.

Approved Funding

Table 7 - Residential Red Zone Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Red Zone Property Acquisition Costs	3.994	-	-	-	3.994
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation	61.901	5.310	-	-	67.211
Acquisition of Canterbury Red Zone Properties	116.248	-	-	-	116.248
Contribution to Legal Fees	3.410	-	-	-	3.410
Red Zone Property Management Costs	99.469	9.574	-	-	109.043
Procurement of Rockfall Protection Systems	8.000	-	-	-	8.000
Construction of Land Slip Removal in the Port Hills	2.000	-	-	-	2.000
Total Non-Departmental	291.028	14.884	-	-	305.912
Total	295.022	14.884	-	-	309.906

By June 2013 the majority of the homeowners are expected to have accepted the Crown's offer, and settled the agreement. There will be a final few properties that have not settled by this date because of the delay in final zoning decisions.

The clearance of properties is likely to be completed by late 2014 at the current rate of 60 properties a week, which is determined by the rate of insurance assessments.

The Crown will incur costs in holding these properties until future land uses are decided and completed (e.g. rates, property maintenance). The indicative costs of maintaining infrastructure in the residential red zone is estimated to be \$2.5 million, which by April 2013 will equate to approximately \$600 per property per week. If the clearance of properties does not proceed across wide areas, then infrastructure will need to be maintained for a few individual properties.

There are likely to be particular challenges in the clearance of red zoned properties on the Port Hills, as their construction techniques are more complex than for flat land properties; and there are greater safety issues, due to the potential of rock roll or cliff collapse, to be managed.

For a small number of properties in Lucas Lane, the Government has decided to remove a landslip hazard, thereby keeping the properties within the green zone. This landslip hazard is managed under this Intention. The costs and timing of this work are uncertain at this stage.

The Recovery Strategy states that once a substantial proportion of red zone land has been transferred to the Crown, future long-term use will be considered. CERA will lead the area-by-area assessment, with input from key stakeholders, to determine options for the long-term ownership, management, and use of residential red zone land. Key factors impacting on the timeframe for decisions on future use include the insurance claims settlement process, the rate of property clearances, infrastructure requirements, and the number of remaining property owners in the red zone. External engagement on future use issues needs to be limited prior to 30 April 2013, to avoid compromising the integrity of the red zone offer process and delaying the insurance claims settlement process.

Insurance issues resulting from the Canterbury earthquakes are complex and a source of concern to the Crown, CERA and the residents and businesses of greater Christchurch. Delays in claim settlement impact many aspects of the recovery. These include impacts on residents; community resilience; the pace of demolition and rebuild activities; and investment in essential repair and rebuild work – both in commercial and residential areas. Overall, delays in claim settlement mean delays in the recovery, and it is important that the recovery progresses as fast as possible.

CERA is working with stakeholders to identify and help resolve blockages in the claims settlement process and to develop a good understanding of the way the insurance market is responding to the Canterbury earthquakes with a view to facilitating the recovery overall. A Resident Information Service is being developed to help homeowners navigate through the insurance and rebuild process. Data and information is being gathered and collated with a view to keep Ministers and the public well informed about progress.

There is an element of cost sharing with the Christchurch City Council for the red zone properties on the Port Hills. [10]
more work is required to determine the final agreement.

The components of this intention include:

- Completion of sale and purchase agreements, and settlement of residential red zone properties
- Insurance recoveries from EQC and private insurers for properties acquired under option 1
- Property clearances of residential properties acquired under option 2
- Costs of holding the properties after settlement
- Planning and completing future land use.

Fiscal Risks

The following fiscal risks have been identified which could result in a higher costs to the Crown for the project.

Table 8 - Residential Red Zone Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
Selection of options by homeowners are different from those assumed in Cabinet papers	1	Likely	+/- \$100 million	31/12/13
Whilst zoning completed, no decisions yet on offers in a limited number of circumstances (e.g. Port Hills vacant land)		Likely	< \$50 million	30/6/13
Recoveries from insurers less than anticipated	2a	Moderate	Unquantifiable	30/6/14
Recoveries from EQC less than anticipated	2b	Moderate	Unquantifiable	30/6/14
Land held longer than anticipated with prolonged holding costs	3	Moderate	Unquantifiable	30/6/15
Complex clearance issues in the Port Hills.	4	Moderate	Not Assessed	30/6/13
Future use of the residential red zone might require public and private investment.		Unlikely	Not Assessed	30/6/15

Notes:

- 1 Semi-annual actuarial valuations are obtained to determine the likely change value of the Crown's obligation to purchase properties.
- 2a CERA is working actively with insurers to manage the recovery process for Option 1 vendors.
- 2b CERA is working with EQC to determine the appropriate level of recovery relating to land.
- 3 The amount is unquantifiable given that the holding period for the red zone is currently unknown but the holding costs for red zone properties including rates; security (fixed and mobile) and management are estimated at approximately \$20 million per annum.
- 4 Work is underway to determine costs associated with solving geotechnical and access issues in connection with demolition and clearance of properties within the Port Hills red zones.

Savings Identified

Policy decisions for the land zoning are nearly completed and CERA has moved away from recommending the purchase of rock fall protection systems in the residential red zone. The original \$10.000 million appropriation for the procurement of rockfall protection systems was reduced by \$2.000 million to fund the erection of barriers and excavation of terraces for landslip protection. The balance of \$8.000 million is therefore available for reprioritisation.

Table 9 - Residential Red Zone Savings Identified

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Procurement of Rockfall Protection Systems	(8.000)	-	-	-	(8.000)

Reallocation of Funding

The following table records a proposed phasing of costs associated with the demolition and clearance of residential red zone properties and the on-going management of the land and infrastructure post demolition.

Table 10 - Residential Red Zone Reallocation of Funding

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation	(41.901)	14.690	27.211	-	-
Red Zone Property Management Costs	(64.469)	25.426	39.043	-	-
Total	(106.370)	40.116	66.254	-	-

The work programmes for demolition and clearance of properties in the residential red zone in the Port Hills and on the flat lands of Christchurch suggest that the time needed to complete this work will take longer than expected.

This will also extend the holding costs of the residential red zone properties once ownership has passed to the Crown.

Summary of Funding

Table 11 - Residential Red Zone Summary of Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Red Zone Property Acquisition Costs	3.994	-	-	-	3.994
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation	20.000	20.000	27.211	-	67.211
Acquisition of Canterbury Red Zone Properties	116.248	-	-	-	116.248
Contribution to Legal Fees	3.410	-	-	-	3.410
Red Zone Property Management Costs	35.000	35.000	39.043	-	109.043
Construction of Land Slip Removal in the Port Hills	2.000	-	-	-	2.000
Non-Departmental	176.658	55.000	66.254		297.912
Total	180.652	55.000	66.254	-	301.906

6.2 Intention 2: Manage the Demolitions in the Central Business District

Christchurch's Central Business District (CBD) suffered serious damage through the earthquakes in 2010 and 2011 and aftershocks. Initially a cordon was put around the CBD because of the imminent risk of building collapse and to allow the demolition the buildings at greatest risk to human safety. With the passage of time and the removal of the worst buildings, the demolition work is now targeted at those identified through Detailed Engineering Evaluations, or through insurance claims, as uneconomic to repair.

The following table records the approved appropriations for the CBD demolitions activities.

Approved Funding

Table 12 - CBD Demolitions Approved Appropriations

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation	34.719	-	-	-	34.719
Canterbury Earthquake Demolition Related Property Purchases	5.000	-	-	-	5.000
Total	39.719	-	-	-	39.719

Where CERA acts as the principal for building demolition work, contracts are let and managed. CERA then recovers the costs from building owners or their insurers.

Of the 1936 commercial buildings within the CBD approximately 600 have been, or are due to be, demolished or deconstructed. The remaining buildings will be scattered across a large land area under multiple ownerships.

The components of this intention include:

- Management of demolition of buildings within the CBD
- Recovery of costs from building owners and insurers.

Fiscal Risks

The following fiscal risks have been identified which could result in a higher costs to the Crown for the project.

Table 13 - CBD Demolitions Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
Owners requesting CERA to undertake demolitions of CBD properties		Unlikely	<\$10 million	31/1/13
Recovery of demolition costs for CBD properties may be less than anticipated, resulting in a lower net cost to the Crown		Moderate	[9]	30/6/13

Reallocation of Funding

The following table highlights the estimated increase in cost over the original assessment due to additional buildings being added to the work programme. With the decline in potential properties that would need to be demolished in order to affect programmed demolitions, it is proposed that funding set aside for the purchase of properties to enable other properties to be demolished be reallocated to the demolition activity expense category.

Table 14 - CBD Demolitions Reallocation of Funding

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation	5.000	-	-	-	5.000
Canterbury Earthquake Demolition Related Property Purchases	(5.000)	-	-	-	(5.000)
Total	-	-	-	-	-

Summary of Funding

Table 15 - CBD Demolitions Summary of Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Canterbury Earthquake Property Demolitions and Related Costs Compensation	39.719	-	-	-	39.719
Total	39.719	-	-	-	39.719

Recovery of Costs from Owners

[9]

6.3 Intention 3: Recovery of the Central Business District

The Government has mandated CERA, through the Christchurch Central Development Unit (CCDU), to lead and facilitate the recovery of Christchurch's Central Business District (CBD). The initial task was the completion of the Christchurch Central Recovery Plan (CCRP) in July 2012.

This Plan incorporated a spatial Blueprint Plan, which uses leading urban design principles to shape the new compact commercial core and locates Anchor Projects that will encourage investment and growth.

The components of this Intention are:

- Planning and construction of key Anchor Projects
- Land acquisition for Anchor Project sites
- Development of the Urban Frame and Papa o Otakaro/Avon River Precinct
- Design of the Metro Sports Facility
- Design of the Convention Centre Precinct
- Other Anchor Projects.

6.3.1 Planning and Construction of Key Anchor Projects in Central Christchurch

The CCRP's Anchor Projects will be developed and delivered in partnership with a number of agencies and stakeholders including Central Government, Christchurch City Council, Te Runanga o Ngai Tahu, the private sector and the community.

The Crown has committed to the purchase of the designated sites for the Anchor Projects to secure development opportunities. This land acquisition has already started for the key sites.

Cabinet has approved (CAB Min (12) 26/8) the operational costs for the Central City Development Unit under the Managing the Recovery appropriation.

Approved Funding

Table 17 - Central City Development Unit Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Managing the Recovery	7.028	7.366	7.626	7.894	29.914

The indicative project delivery schedule provides for the Papa o Otakaro/Avon River Precinct; The Frame; Convention Centre Precinct and Metro Sports Facility to be early commitments for delivery. Other Anchor Projects will be programmed for delivery over the term of this Four Year Plan.

Fiscal Risks

The following fiscal risks have been identified which could result in a higher costs to the Crown for the project.

Table 18 - Central City Development Unit Activities Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
Unable to source appropriately capable staff at the appropriate rate	1	Moderate	<\$5 million	28/2/13
Delays in securing specialist resources requiring additional consulting / contracting support	1	Moderate	<\$2 million	28/2/13

Notes

- 1 CCDU will be required to engage suitably qualified and experienced personnel for the preparation and assessment of business cases for Anchor Projects. The difficulty of getting these candidates in time and within budget to complete this work may result in higher costs due to the engagement of temporary contractors to fill positions.

Funding Pressures

The following table recorded the estimated increase in operational funding required by the Central City Development Unit.

Table 19 - Central City Development Unit Funding Pressures

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Managing the Recovery	7.231	8.798	7.576	7.503	31.108

Summary of Funding

Table 20 - Central City Development Unit Summary of Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Managing the Recovery	14.259	16.164	15.202	15.397	61.022

6.3.2 Land acquisition for Anchor Project sites

Cabinet has committed to the purchase of land for all of the Anchor Projects as outlined in the CCRP (CAB Min (12) 26/8). This land acquisition programme will be especially important to secure the key sites. Cabinet has also approved transaction costs and holding costs associated with owning the land for the Anchor Projects during their development.

Approved Funding

Table 21 - CCRP Land Acquisitions Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Purchase of Land and Improvements	674.000	-	-	-	674.000
Demolition of Improvements	21.000	-	-	-	20.000
Transaction Costs	21.000	-	-	-	21.000
Anchor Project Land Acquisitions	716.000	-	-	-	716.000

Reallocation of Funding

The following table highlights the estimated phasing of costs for the acquisition programme due to anticipated delays in securing properties in the timeframes originally proposed.

Table 22 - CCRP Land Acquisition Reallocation of Funding

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Land Acquisitions	(65.000)	65.000	-	-	-

Fiscal Risks

The following fiscal risks have been identified which could result in a higher cost to the Crown for the project.

Table 23 - CCRP Land Acquisition Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
[9]				
Move to compulsory acquisition resulting in higher than forecast transaction costs	1	Moderate	< \$10 million	30/6/13
[9]				

Notes

- 1 The move to compulsory acquisition mode will attract significant transaction costs and create a delay in actual settlements.

Funding Pressures

[9]

6.3.3 Development of the Frame and Te Papa o Ōtākaro/Avon River Precinct

The purpose of the Frame is twofold:

- to define the commercial core of Christchurch City providing new green space and a range of residential and mixed use commercial development opportunities;
- to reduce the oversupply of land in the central city, focussing development and stimulating recovery in a timely manner.

This Intention has been prioritised for advancement because of the immediate impact the acquisition of the land inside the Frame has for recovery and the realisation of a more compact commercial core. By withdrawing land from (re)development, the central city is encouraged to re-establish within a smaller area in line with demand for commercial and retail space, is more internally coordinated than previously and is more likely to experience agglomeration benefits.

The Frame will have a significant impact on the future development of the city. It will be developed through the acquisition of privately owned land. It includes the site of a building that collapsed during the February earthquake, resulting in many fatalities. Care will need to be taken to ensure that this project is advanced sensitively, in cooperation with representative groups of those who died or who were injured, and with CCC and Ngāi Tahu.

One of the priority Anchor Projects is Te Papa o Ōtākaro / the Avon River Precinct. Te Papa o Ōtākaro will be a high-quality green space and recreational destination within central Christchurch. The new precinct will give priority to pedestrians and cyclists as well as bringing nature into the central city. The interests and values of tangata whenua will be integrated into the new precinct.

This project has been prioritised because of the possibility of making quick progress to advance the project, because of the improvement in amenity provided by the project, because it will help facilitate and provide confidence for further private investment and to encourage the public back into the heart of the city.

The physical scope of Te Papa o Ōtākaro is the Avon River from the intersection of Rolleston Avenue, Cambridge Terrace and Cashel Street in the west to Fitzgerald Avenue in the east. Te Papa o Ōtākaro is approximately 30 metres wide on either side of the river and includes Victoria Square / Market Place, the North Frame and the northern block of the East Frame (Playground).

The Playground will potentially take up the entire northern block of the East Frame. A design competition will be launched by the Minister for Canterbury Earthquake Recovery and the Minister of Education to seek input from the children of Canterbury in the design of the playground and to ensure that children have their own space in Christchurch Central.

Included within Te Papa o Ōtākaro is an art and sculpture trail. The purpose of the art and sculpture trail is to inject diversity into Te Papa o Ōtākaro, and consequently, to increase the attraction of the precinct to as wide an audience as possible. The trail will be designed to draw visitors along it in order to increase the pulling power of Te Papa o Ōtākaro to as great a number of people as possible, and to make the precinct attractive along its entire length.

Cabinet has approved (CAB Min (12) 26/8) the development of the Urban Frame, and the design and contractual costs associated with Te Papa o Ōtākaro/Avon River Precinct.

Approved Funding

Table 26 - CCRP Avon River Precinct and Frame Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Development Costs for the Papa o Otakaro / Avon River Precinct	10.000	-	-	-	10.000
Anchor Project Development Costs for the Frame	81.000	-	-	-	81.000
Total	91.000	-	-	-	91.000

CERA will partner with the Christchurch City Council and Te Runanga o Ngai Tahu in the development of Te Papa o Ōtākaro/Avon River Precinct.

Expressions of Interest documents were released in September 2012 inviting responses from companies interested in tendering for the detailed design of the Avon River Precinct, the North Frame and the East Frame. A business case is to be developed as the initial concept design is completed in February 2013.

The original budget for Te Papa o Ōtākaro has been set at up to [9] of which up to [9] has been set aside for the art and sculpture trail. The budget for the East and South Frame and for the Playground is part of the overall \$81 million budget for the development of the Frame. [9]

Fiscal Risks

The following fiscal risks have been identified which could result in a higher costs to the Crown for the project.

Table 27 - CCRP Avon River Precinct and Frame Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
Cost escalation (10%)		Moderate	[9]	30/6/14
CCC contribution to project less than anticipated		Low		30/6/13

Reallocation of Funding

The following table highlights the reallocation of costs for the development of the South Frame that reflect the true nature of these costs. The preparation of the master plans for the Health and Technology precincts are of an operational nature rather than capital expenditure.

Table 28 - CCRP Avon River Precinct and Frame Reallocation of Funding

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Development Costs for the Frame	(5.000)	-	-	-	(5.000)
Anchor Project Development Costs for the South Frame (<i>new appropriation</i>)	5.000	-	-	-	5.000
Total	-	-	-	-	-

Funding Pressures

[9]

Summary of Funding

[9]

6.3.4 Design of the Metro Sports Facility

A new Metro Sports Facility will attract people from across the region. It will provide for a broad range of sports for all ages and abilities and a pleasant environment for spectators. It will be a top-class venue and centre of excellence, accessible to people of all ages, abilities and sporting skills. Providing aquatic and indoor sports facilities, it will cater for the day-to-day needs of recreational, educational and high-performance sporting communities, and also be capable of hosting national and international events. The location is within central Christchurch, close to other sporting facilities and easy to access by public transport, private vehicle and walking and cycling links.

The Metro Sports Facility will include:

- aquatic centre
- indoor stadium
- high-performance centre with facilities for coaching and training
- day-to-day recreation, including fitness centre and outdoor landscaped space
- performance movement centre with studios and performance space
- administration facilities and parking.

Cabinet has approved (CAB Min (12) 26/8) funding for the design and contractual costs associated with the Metro Sports Facility. CERA will be partnering with the Christchurch City Council in the procurement for the design of this facility.

Approved Funding

Table 31 - CCRP Metro Sports Facility Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Anchor Project Development Costs for the Metro Sports Facility	10.000	-	-	-	10.000

A detailed project brief is expected to be completed in December 2012, with a business case to Cabinet in February 2013.

During the period of this Four Year Plan construction of the Metro Sports Facility is expected to commence.

Fiscal Risks

The following fiscal risks have been identified which may result in a higher cost to the Crown for the project.

Table 32 - CCRP Metro Sport Facility Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
The best known cost for the development of the Metro Sports Facilities is per the 100 day Blueprint prepared in July 2012		Moderate	[9],[10]	30/6/14
Funding required for the Movement Centre with the Metro Sports Facility – Future Costs		Possible		30/6/13
CCC contribution less than anticipated		Low		30/6/14

[9],[10]

Future Costs

[9],[10]

Summary of Funding

Table 35 - CCRP Metro Sports Facility Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Development Costs for the Metro Sports Facility	10.000	-	-	-	10.000

6.3.5 Design of the Convention Centre Precinct

The Christchurch Central Recovery Plan includes as one of its Anchor Projects a world-class Convention Centre to attract new and exciting events to Christchurch. The new Convention Centre has been conceived of as a precinct that is comprised of a number of buildings that will reactivate surrounding streets and public spaces. The precinct will support retail and hospitality within the core and visitor attractions and services throughout Christchurch.

There are particularly strong linkages between the Convention Centre Precinct, the Performing Arts Precinct and the Central Library. Work will be undertaken to promote the best use of facilities in line with the opportunities to use the Convention Centre Precinct for a variety of purposes to maximise benefit from the investment, and to ensure that it achieves its economic potential given its position as a key facility alongside the Square together with the Central Library.

Cabinet has approved (CAB Min (12) 26/8) funding for the design and contractual costs associated with the Convention Centre Precinct.

Approved Funding

Table 36 - CCRP Convention Centre Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Development Costs for the Convention Centre Precinct	10.000	-	-	-	10.000

An Expression of Interest document was released in October 2012 to begin engagement with the private sector. In parallel, officials will undertake a detailed financial analysis to advance discussions with Christchurch City Council about potential ownership structures and operating models, and to inform the developments of a business case to Cabinet in February 2013.

During the period of this Plan construction of the Convention Centre is expected to commence. Implementation is dependent on the procurement model selected, the future operational model and the funding arrangements. There is also a strong linkage with the land management, land acquisition and demolition work currently underway. Appropriate phasing of this work will become a dependency for the advancement of the Convention Centre Precinct. Repair and redevelopment of appropriate infrastructure (3 waters and transport) will also need to be phased appropriately to ensure that the Convention Centre Precinct can be fully operational in the planned timeframe for completion.

An understanding of how the capital and operational costs of the Convention Centre Precinct will be shared between central government and local government will be part of the wider cost sharing discussion between the Crown and Christchurch City Council.

Fiscal Risks

The following fiscal risks have been identified which could result in a higher cost to the Crown for the project.

Table 37 - CCRP Convention Centre Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
The best known cost for the development of the Convention Centre Precinct is per the 100 day Blueprint prepared in July 2012		Moderate	[9],[10]	30/6/14
CCC contribution less than anticipated		Low		30/6/14

[9],[10]

[

Summary of Funding

Table 39 - CCRP Convention Centre Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Development Costs for the Convention Centre Precinct	10.000	-	-	-	10.000

6.3.6 Other Anchor Projects

The Christchurch Central Recovery Plan has thirteen further Anchor Projects identified. There is a varying degree of CERA's (or other government department) involvement as some projects will be led by the private sector; Christchurch City Council (CCC) or Te Runanga o Ngai Tahu (Ngai Tahu). For any projects requiring government funding there will be business cases developed.

Delivery Projects (Leading)

CERA is responsible for the **delivery** of the following Anchor Projects:

Table 40 - CCRP Other Anchor Projects Lead by CERA

Anchor Project	Lead & CERA role	Description	Indicative Cost (\$ Million)
Stadium	CERA leads delivery, with multiple partners	Development of a multi-purpose sports and entertainment venue.	[9],[10]
Bus Interchange	CERA leads delivery, with multiple partners including CCC and ECan	Development of a central bus interchange within easy walking distance to core central city. (including suburban hubs)	

The indicative cost has been taken from the 100 day Blueprint for the Central City Recovery Plan prepared in July 2012.

Fiscal Risks

Table 41 - CCRP Other Anchor Projects (Lead) Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
The best known cost for the development of the Stadium and Bus Interchange are as per the 100 day Blue Print prepared in July 2012		Moderate	[9],[10]	30/6/14
CCC contribution less than anticipated		Low		30/6/15

[9],[10]

[9],[10]

Funding Pressures

The following table highlights the gross cost of development of the Stadium and Bus Interchange precinct as part of the central business district.

Table 43 - CCRP Other Anchor Projects (Lead) Funding Pressures

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
[9],[10]					
Total	9.000	-	-	-	9.000

This represents the gross cost of development identified as part of the blue print but with cost sharing arrangements with Christchurch City Council, Ngai Tahu and other partners still to be formalised the net cost to the Crown has not yet been determined.

Summary of Funding

Table 44 - CCRP Other Anchor Projects (Lead) Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
[9],[10]					
Total	9.000	-	-	-	9.000

This represents the gross cost of development with cost sharing arrangements with Christchurch City Council and other partners still to be formalised.

Enabling Projects

CERA will **enable** the following Anchor Projects:

Table 45 - CCRP Other Anchor Projects Enabled by CERA

Anchor Project	Lead & CERA role	Description	Indicative Cost (\$ Million)
Performing Arts Precinct	CERA lead	Performing Arts Precinct will comprise a number of buildings that will house performing arts and re-activate the cultural, business and tourism sectors	[9],[10]
Retail Precinct	Private sector lead, CERA partner	Facilitation of a successful re-development of the retail precinct in a timely and coordinated manner	-

Fiscal Risks

Table 46 - CCRP Other Anchor Projects (Enabled) Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
CERA's costs associated with enabling the Anchor Project lead are higher than envisaged.		Likely	Unquantifiable	30/6/14
The best known cost for the development of the Performing Arts Precinct is per the 100 day Blue Print prepared in July 2012		Moderate	[9],[10]	30/6/14
CCC contribution less than anticipated		Low		30/6/14

[9],[10]



Funding Pressures

The following table highlights the gross cost of the support structure within the Canterbury Earthquake Recovery Authority for Anchor and associated projects that the authority will enable as part of the development of the Central Business District. In addition it highlights the cost of the work necessary to prepare a master plan for a combined Town Hall / Performing Arts Precinct.

Table 48 - CCRP Other Anchor Projects (Enabled) Funding Pressures

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
[9],[10]					
Departmental					
Managing the Recovery	0.500	-	-	-	0.500
Total	5.500	-	-	-	5.500

This represents the gross cost of development, with cost sharing arrangements with Christchurch City Council and other partners still to be formalised.

Summary of Funding

Table 49 - CCRP Other Anchor Projects (Enabled) Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
[9],[10]					
Departmental					
Managing the Recovery	0.500	-	-	-	0.500
Total	5.500	-	-	-	5.500

Supporting Projects

CERA will be **supporting** the following Anchor Projects led by other agencies

Table 50 - CCRP Other Anchor Projects Supported by CERA

Anchor Project	Lead & CERA role	Description	Indicative Cost (\$ Million)
Earthquake Memorial	Ministry for Culture and Heritage lead; CERA partner	As a result of the loss of life in the February 2011 earthquake in Canterbury, a decision was made to create one national memorial to the seismic event, the loss of life and those affected by this event	[9],[10]
Te Puna Ahurea Cultural Centre	Te Runanga o Ngai Tahu lead; CERA partner	A unique and vibrant visitor destination to showcase and celebrate Ngai Tahu, Maori and Polynesian traditions and performing and visual arts	
The Square	CCC lead; CERA partner	Redevelopment of Cathedral Square	
Central Library	CCC lead; CERA partner	The Central Library will continue to house some of the country's most important collections, and provide easy access to digital technologies, local heritage collections and exhibition spaces. The Central Library will integrate with the Convention Centre and the Square	
Cricket Oval	CCC lead; CERA partner	The existing cricket ground in Hagley Park will be enhanced to provide a venue capable of hosting domestic and international test matches	
Justice and Emergency Services Precinct	Sector lead; CERA partner	A precinct to incorporate the government and emergency service sectors, along with Civil Defence and Emergency Management	
Innovation Precinct	MBIE lead;	A precinct to encourage	

	CERA partner	collaboration between innovative businesses and research organisations	
Residential Demonstration Project	MBIE lead; CERA partner	A showcase to be developed with the private sector for high-quality, medium density residential development in central Christchurch	-

Fiscal Risks

Table 51 - CCRP Other Anchor Projects (Supported) Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
CERA's costs associated with enabling the Anchor Project lead are higher than envisaged.		Likely	Unquantifiable	30/6/14
The best known cost for the development of the CERA supported projects is per the 100 day Blueprint prepared in July 2012		Moderate	[9],[10]	30/6/14
CCC contribution less than anticipated		Low		30/6/14

[9],[10]



Funding Pressures

The following table highlights the gross cost of the support structure within the Canterbury Earthquake Recovery Authority for Anchor and associated projects that the authority will support as part of the development of the Central Business District.

Table 53 - CCRP Other Anchor Projects (Supported) Funding Pressures

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Managing the Recovery	2.500	-	-	-	2.500
Non-Departmental					
Anchor Project Development Costs for the Earthquake Memorial (<i>new appropriation</i>)	1.000	-	-	-	1.000
Anchor Project Development Costs for the Justice and Emergency Services Precinct (<i>new appropriation</i>)	3.000	-	-	-	3.000
[9],[10]					
Total	11.500	-	-	-	11.500

This represents the gross cost of development, with cost sharing arrangements with Christchurch City Council and other partners still to be formalised.

Summary of Funding

Table 54 - CCRP Other Anchor Projects (Supported) Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Non-Departmental					
Anchor Project Development Costs for the Earthquake Memorial (<i>new appropriation</i>)	1.000	-	-	-	1.000
Anchor Project Development Costs for the Justice and Emergency Services Precinct (<i>new appropriation</i>)	3.000	-	-	-	3.000
[9],[10]					
Departmental					
Managing the Recovery	2.500	-	-	-	2.500
Total	11.500	-	-	-	11.500

6.4 Intention 4: Rebuild of Horizontal Infrastructure

Horizontal infrastructure across greater Christchurch was so damaged by the 2010 and 2011 earthquakes that enduring recovery cannot be achieved without a major rebuild programme. Damage has been most severe and widespread across Christchurch city, although significant pockets of damage have occurred outside the city boundaries in the districts of Selwyn District Council and Waimakariri District Council.

Approved Funding

Table 55 - Horizontal Infrastructure Approved Funding

	Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs	41.500	-	-	-	41.500

The approved funding represents the reimbursement to CCC for SCIRT costs between January and June 2012.

In addition, CERA has been working with Waimakariri District Council and Selwyn District Council to address their infrastructure recovery needs.

The horizontal infrastructure programme has two components:

1. The SCIRT work programme:

In September 2011 an alliance to repair the horizontal infrastructure (roads, water supply and wastewater systems) within the Christchurch City Council boundaries was formed, called the Stronger Christchurch Infrastructure Rebuild Team (SCIRT).

The head contractual agreement within SCIRT is an alliance between the owner participants (CERA, Christchurch City Council and NZ Transport Agency) and the non-owner participants (City Care, Downer, Fletcher Construction, Fulton Hogan, and McConnell Dowell). Alliance partners are bound by a commercial model to harness the expertise of the public and private sectors; provide competitive tension between owner participants to promote information sharing and collaboration; and manage the many risks and opportunities that will develop as works progress.

In September 2012 the five-year forward works programme for the SCIRT rebuild was launched. It describes in detail the next 12 months of work and the general 'east-west' approach to the recovery of the infrastructure across all of the Christchurch City Council area. Specific attention is also being given to the central Christchurch area through the formation and management of the Christchurch Central Infrastructure Rebuild Team which is developing the strategic framework and implementation plan to meet the requirements of the Christchurch Central Recovery Plan.

A preliminary estimate of the cost of SCIRT work programme was \$2.2 billion, however this estimate is currently being reviewed.

2. The non-SCIRT work programme:

The work programme to repair horizontal infrastructure outside of SCIRT for Christchurch City Council, Waimakariri District Council and Selwyn District Council, Environment Canterbury, Orion, telecommunications companies, gas and oil companies is estimated to be \$300 million.

The Crown contributes financially to the local authorities for costs associated with the repair and rebuild of water systems and road infrastructure.

Fiscal Risks

Table 56 - Horizontal Infrastructure Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
True cost of infrastructure rebuild		High	[9],[10]	31/3/13

Funding Pressures

The Crown through CERA has reimbursed the Christchurch City Council for infrastructure rebuild costs associated with the three waters incurred by SCIRT for the period September 2011 to 30 June 2012. The Crown has recognised an estimated cost for the rebuild and the next payments are due in February and March 2013 for Immediate Response Management Office (IRMO) within the CCC related costs and the next SCIRT reimbursement respectively.

Table 57 - Horizontal Infrastructure Funding Pressures

	\$ Millions increase / (decrease)				
	2012/13	2013/14	2014/15	2015/16	Total
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs	18.000	-	-	-	18.000
[9],[10]					
Total	142.200	124.200	124.200	115.500	466.100

Summary of Funding

Table 58 - Horizontal Infrastructure Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Advance payment for the estimated Crown share of the Stronger Christchurch Infrastructure Rebuild Team's infrastructure costs	142.200	-	-	-	109.500

6.5 Intention 5: Managing the recovery and transition

CERA's role in managing the recovery from the Canterbury earthquakes is wider than demolishing houses and commercial buildings and managing the building of new Anchor Projects and infrastructure. It is also involves facilitating and coordinating the recovery of affected communities, restoring the social and cultural well-being of greater Christchurch communities and monitoring and reporting on the state of the recovery.

Community resilience is impacted after a disaster, including when people leave familiar areas or arrive in new places. Many of the things they used to do will no longer be available to them and new connections and support are needed. People will find it difficult, if not impossible to heal from the effects of individual trauma without a supportive community. Encouraging active community participation has positive outcomes for coping and resilience. Community participation in planning community recovery encourages collective efficacy – a sense that one belongs to a group that is likely to experience positive outcomes. Community owned initiatives are much more likely to take root, succeed and make a positive difference to people's lives.

Successful community resilience is dependent on having committed community leaders, volunteers, community led planning, social infrastructure, social opportunities, activities and connections, and communication about what is happening and how people can get involved.

Social, leisure, culture, sports and arts are essential and integral elements of quality community life, promoting social cohesion, creative expression and identity and healthy individuals and communities. The need for community facilities is therefore important. Such community facilities provide places for the community to come together in a relaxed comfortable atmosphere to socialise and participate in activities, learn and perform new skills, provide points for creative expression, social interaction and promote well-being or just being together.

It is important that community resilience concerns are considered and understood in all aspects of CERA's recovery work planning because the way the recovery process is implemented (e.g. utilising community engagement processes and promoting community led recoveries) can affect community resilience and psychosocial well-being. At a strategic level, the Community Resilience Programme will work to inform CERA Programmes regarding relevant community level engagement and information.

In leading the recovery process, CERA has an obligation to report to government, decision makers and the wider community on state of the earthquake recovery. The monitoring and reporting framework is based on the Recovery Strategy for Greater Christchurch which outlines the overall goals, priorities and key programmes within six component areas: leadership and integration; economic recovery; social recovery; cultural recovery; built environment recovery; and natural environment recovery. CERA will develop and monitor baseline indicators for the Strategy's goals, and report on progress of recovery against these goals.

Another aspect of this Intention is to look at the transition of the CERA functions. CERA was established as a government department under the State Sector Act; however it derives its functions primarily from the Canterbury Earthquake Recovery Act 2011 (CER Act). In 2016 the CER Act will expire, and it is anticipated that CERA will be dis-established. As a finite term organisation CERA needs to prepare for any future institutional arrangements or the transfer of legacy assets, liabilities or the continuation of residual functions to other appropriate agencies. The approach will need to consider the Christchurch Central Development Unit (CCDU) which was formed in April 2012 to lead the recovery of the central city. This is a very operational unit overseeing some very large projects which will not be completed by April 2016.

6.5.1 Total workforce costs

The following table highlights the forecast decline in costs over the next four years, reflecting the curtailing of activities and transfer of activities to other parties.

Table 59 - CERAs Workforce Payroll Costs

	\$ Millions			
	2012/13	2013/14	2014/15	2015/16
Policy Advice	2.677	2.396	1.905	1.506
Managing the Recovery – Other	14.718	13.305	12.478	10.090
Managing the Recovery – CCDU	7.239	6.840	6.840	6.259
RRZ Property Acquisition	0.070	0.071	0.071	0.056
Sub-Total Departmental	24.704	22.612	21.294	17.911
Crown Activities	8.375	7.920	6.969	4.300
Total	33.079	30.532	28.263	22.212

6.5.2 FTE numbers

The following table highlights the forecast decline in FTEs over the next four years, reflecting the curtailing of activities and transfer of activities to other parties.

Table 60 - CERAs Workforce FTEs

	2012/13	2013/14	2014/15	2015/16
Policy Advice	24	22	18	14
Managing the Recovery – Other	141	128	119	95
Managing the Recovery – CCDU	59	55	55	52
RRZ Property Acquisition	1	1	1	1
Sub-Total Departmental	225	206	193	162
Crown Activities	79	72	60	29
Total	304	278	253	191

The departmental activities under Managing the Recovery – CCDU includes the funding for anchor projects and support mechanisms for anchor project business case development and feasibility studies.

Crown activities include the purchase of land and improvements in the central city, development of anchor projects in the central city, management of the residential red zones (flat lands and Port Hills) and insurance recovery work.

Approved Funding

Table 61 - CERA Operational Approved Funding

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Departmental					
Policy Advice	5.392	4.300	3.800	2.800	16.292
Managing the Recovery	35.599	26.450	19.750	22.250	104.049

Fiscal Risks

Table 62 - CERA Operational Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
CERA activities (excluding CCDU/CCRP) continue past proposed disestablishment date		Moderate	>\$20.125 million	30/6/15
CCDU/CCRP activities continue past proposed disestablishment date		Moderate	>\$26.070 million	30/6/15

Funding Pressures

Table 63 - CERA Operational Funding Pressures

	Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Supporting CCDU (Corporate, Governance and Communications)	-	6.518	7.922	6.812	21.252
Accommodation and other centralised costs	-	1.366	3.460	2.150	6.976
Managing the Recovery	-	7.884	11.382	8.962	28.228

Summary of Funding

Table 64 - CCRP Avon River Precinct and Frame Funding Summary

	\$ Millions				
	2012/13	2013/14	2014/15	2015/16	Total
Policy Advice	5.392	4.300	3.800	2.800	16.292
Managing the Recovery	35.599	34.334	31.132	31.212	132.277
Total	40.991	38.634	34.932	34.012	148.554

6.6 Intention 6: Implement recovery cost sharing arrangements between Crown and relevant Councils

The Crown has agreed to share the costs of recovery with the four councils within greater Christchurch (Environment Canterbury, Christchurch City Council, Selwyn District Council and Waimakariri District Council).

Work will be undertaken in the <coming months / year> to advise Government on the cost sharing arrangements to respond to this obligation, manage the precedent of this arrangement and the Crown's fiscal risk; while being cognisant of the effect on ratepayers of the region.

The outcomes from this work will be applied through specific projects.

Fiscal Risks

Table 65 - Cost Sharing Fiscal Risks

Risks	Note	Probability	Quantifiable Impact	Timing
Delay in concluding agreements with local authorities and other partners on cost sharing arrangements		Moderate	Unquantifiable	1/7/13

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