

Reference: 20210555

11 February 2022

Dear [REDACTED]

Thank you for your Official Information Act 1982 (OIA) request, received on 21 November 2021. You requested:

*a copy of all information you have provided to and received from the Christchurch City Council for the Canterbury Recovery Acceleration Fund (CRAF).*

On 9 December 2021 you agreed to refine your request to:

*formal communications (briefings, memos and letters) and informal emails between Treasury, and/or Ministers and/or the Christchurch City Council for the Canterbury Recovery Acceleration Fund (CRAF) from the date of the creation of the fund until present.*

The time to respond was extended by 10 working days.

### Information being released

The following documents are to be released:

Item	Date	Document Description	Decision
1.	10 July 2018	Emails: RE Revised investment decision-making flowchart	Release in part
2.	13 July 2018	Emails: Roothing HI projects	Release in part
3.	26 July 2018	Emails: RE Proposed eligibility criteria for accessing the CRAF	Release in part
4.	31 July 2018	Emails: RE Proposed eligibility criteria for accessing the CRAF	Release in part
5.	2 August 2018	Emails: CRAF revised investment proposal template	Release in part
6.	9 August 2018	Emails: Eligibility for CRAF funding	Release in part

		-- Category 3	
7.	29 January 2020	Emails: RE CRAF - OARC and transport projects -- next steps	Release in part

We are still processing the documents you have requested for release. Under section 15(1)(b) of the OIA, I am notifying you of my decision prior to delivering the requested documents, with redactions under the following sections of the OIA, as applicable:

- names and contact details of officials, under section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting Ministers, members of government organisations, officers and employees from improper pressure or harassment,
- commercially sensitive information, under section 9(2)(i) – to enable the Crown to carry out commercial activities without prejudice or disadvantage, and
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

I anticipate the production of the documents will be complete within one week, at which time we will send them to you. I apologise for any inconvenience.

### **Information to be refused**

There are additional documents covered by your request that I have decided to refuse in full under the following section of the OIA: that the information requested cannot be made available without substantial collation or research, section 18(f), given the substantive quantum of 'informal communication' between the Treasury and the Christchurch City Council.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D. Taylor', with a stylized flourish at the end.

David Taylor  
**Manager, National Infrastructure Unit**

# OIA 20210555

## Information for Release

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**From:** Anstiss, Brendan <Brendan.Anstiss@ccc.govt.nz>  
**Sent:** Tuesday, 10 July 2018 9:57 am  
**To:** John Beaglehole [TSY]  
**Cc:** Pratima Namasivayam [DPMC]; David Stanley [TSY]; Bellette, Carol  
**Subject:** RE: Revised investment decision-making flowchart

Hi John,

Roads (and associated services, such as footpaths, public transport, and cycleways) are a core infrastructure provision by local government - roads are a networked service and fall within the remit of core services as per S10 LGA. Roads are clearly horizontal infrastructure - and were eligible under the SCIRT repair programme for (to various standards) repair and reinstatement. As I have said, it would be a surprise if they were no longer considered by Crown officials to be "horizontal infrastructure".

Full details of the previous (pre- EQ), current and future state (under the various funding options - low, medium or high) are provided in our 30 y Infrastructure Strategy (esp start at pg 28 of the doc or pg 167 of the hyperlink) for roading details. You will see from the pie charts that even with in excess of \$1b investment over the next 10 years that the condition of roads will remain poorer than it was pre-EQ (but better than today). Note that Council approved and funded the medium option - hence why we are confident that there are a large number of roading projects (the difference between the medium and high basically) that we can kick on quickly with.

[http://christchurch.infocouncil.biz/Open/2018/06/CLTP\\_20180622\\_AGN\\_2843\\_AT.PDF](http://christchurch.infocouncil.biz/Open/2018/06/CLTP_20180622_AGN_2843_AT.PDF)

From the Mayor's forward to the LTP there is some commentary on the extensive feedback that Council received on roads - it is one of the major areas of complaint post-EQ.

[http://christchurch.infocouncil.biz/Open/2018/06/CLTP\\_20180622\\_ATT\\_2843\\_EXCLUDED.PDF](http://christchurch.infocouncil.biz/Open/2018/06/CLTP_20180622_ATT_2843_EXCLUDED.PDF)

Finally, roading projects (esp re-seals) are typically simpler to deliver than other forms of HI, such as wastewater /storm water etc, as complicated consents are not required and we are the road controlling authority and already own the asset. This means that we can genuinely see expedited regeneration in short order with roads as compared to other forms of HI.

Let me know if I can help further, cheers, Brendan

---

**From:** John Beaglehole [TSY] [mailto:John.Beaglehole@treasury.govt.nz]  
**Sent:** Tuesday, 10 July 2018 8:44 a.m.  
**To:** Anstiss, Brendan <Brendan.Anstiss@ccc.govt.nz>  
**Cc:** Pratima Namasivayam [DPMC] <Pratima.Namasivayam@dpmc.govt.nz>; David Stanley [TSY] <david.stanley@treasury.govt.nz>; Bellette, Carol <Carol.Bellette@ccc.govt.nz>  
**Subject:** RE: Revised investment decision-making flowchart

Thanks Brendan. It would be good to know in a bit more detail why the Council would like roading included in HI – I got a sense of this from our discussion on Friday, but in terms of taking this discussion forward on this side of the fence, I would like to understand more. Is there some stuff you can send me – excerpts from the LTP, or material for councillors, or other things? I need to be in a position to make the best case I can for you.

Regards,

John

**John Beaglehole**  
Consultant, Commercial Operations  
The Treasury

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1 The Terrace, PO Box 3724 Wellington 6140 New Zealand

---

**From:** Anstiss, Brendan [<mailto:Brendan.Anstiss@ccc.govt.nz>]  
**Sent:** Monday, 9 July 2018 4:32 PM  
**To:** John Beaglehole [TSY] <[John.Beaglehole@treasury.govt.nz](mailto:John.Beaglehole@treasury.govt.nz)>  
**Cc:** Pratima Namasivayam [DPMC] <[Pratima.Namasivayam@dpmc.govt.nz](mailto:Pratima.Namasivayam@dpmc.govt.nz)>; David Stanley [TSY] <[david.stanley@treasury.govt.nz](mailto:david.stanley@treasury.govt.nz)>; Bellette, Carol <[Carol.Bellette@ccc.govt.nz](mailto:Carol.Bellette@ccc.govt.nz)>  
**Subject:** RE: Revised investment decision-making flowchart

Hi John, thanks for the update. We were already discussing with Clrs tomorrow. I suppose we'd be surprised if roads didn't meet definition of HI, but we'll await your review. We aren't getting into that aspect tomorrow.

Is there anything you need from us to make it less tricky - I could probably whip up a spirit level to confirm that roads do (excepting bumps) run horizontally if required.

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**From:** John Beaglehole [TSY] [<mailto:John.Beaglehole@treasury.govt.nz>]  
**Sent:** Monday, 9 July 2018 12:04 p.m.  
**To:** Anstiss, Brendan <[Brendan.Anstiss@ccc.govt.nz](mailto:Brendan.Anstiss@ccc.govt.nz)>  
**Cc:** Pratima Namasivayam [DPMC] <[Pratima.Namasivayam@dpmc.govt.nz](mailto:Pratima.Namasivayam@dpmc.govt.nz)>; David Stanley [TSY] <[david.stanley@treasury.govt.nz](mailto:david.stanley@treasury.govt.nz)>  
**Subject:** Revised investment decision-making flowchart

Brendan,

Nice to see you again on Friday, and I trust the rest of your birthday went well.

I enclose an amended flowchart for the CRAF decision-making process, which reflects the discussion we had on Friday. Please let me know if this meets your needs for the Tuesday engagement with Council.

We are thinking about the definition of horizontal infrastructure, and in particular whether it includes roads. This is a slightly trickier issue – when would you like to discuss that with Council? Tomorrow might be ambitious.

Kind regards,

John

**John Beaglehole**  
Consultant, Commercial Operations  
The Treasury

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**From:** John Beaglehole [TSY]  
**Sent:** Friday, 13 July 2018 2:00 pm  
**To:** Anstiss, Brendan; Bellette, Carol  
**Cc:** Allie Stedman [DPMC]; Pratima Namasivayam [DPMC]; Angus White [TSY]  
**Subject:** Roothing HI projects

Brendan, Carol,

Thank you for a useful meeting earlier today. I was thinking about our discussion on roading projects, and what might be best seen as regenerative. It could be very helpful for you to be in touch with Steve Higgs at NZTA, as I know they have done quite a bit of work on transport priorities for Christchurch, and how these align with the new Government Policy Statement on Land Transport.

Kind regards,

John

**John Beaglehole**

Consultant, Commercial Operations

The Treasury

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**From:** Anstiss, Brendan <Brendan.Anstiss@ccc.govt.nz>  
**Sent:** Thursday, 26 July 2018 1:09 pm  
**To:** John Beaglehole [TSY]; Anne Shaw [DPMC]; Allie Stedman [DPMC]  
**Cc:** Simone Hurley [DPMC]; Adamson, David  
**Subject:** RE: Proposed eligibility criteria for accessing the CRAF

Hi, yes happy to discuss - but as a heads up, the criteria on category 3 still don't make sense to me, and I can't think of many projects that would meet esp the bullet point re: not repairing, renewing, improving etc...and point 7, I'm not sure if it matters, but we will likely spend the money as capex, not opex. And finally, land drainage hasn't historically been covered by HI / SCIRT, so I can't see why it is now it. As I've said before, it is a \$1.2b programme, so fitting it in here was never really going to work.

Anyway lets chat latter. Cheers.

---

**From:** John Beaglehole [TSY] [mailto:John.Beaglehole@treasury.govt.nz]  
**Sent:** Thursday, 26 July 2018 11:42 a.m.  
**To:** Anstiss, Brendan <Brendan.Anstiss@ccc.govt.nz>; Anne Shaw [DPMC] <Anne.Shaw@dpmc.govt.nz>; Allie Stedman [DPMC] <Allie.Stedman@dpmc.govt.nz>  
**Cc:** Simone Hurley [DPMC] <Simone.Hurley@dpmc.govt.nz>  
**Subject:** Proposed eligibility criteria for accessing the CRAF

Brendan,

In advance of this afternoon's call, I have set out below the current proposed eligibility criteria for the CRAF. We look forward to discussing these with you at 3.30.

Kind regards,

John

### **Eligibility criteria for the Acceleration Facility**

1. The intended purpose of the Acceleration Facility is to provide certainty, confidence and demonstrable progress towards Christchurch's ultimate regeneration. It will do this through making capital available to the Council, for investment in regeneration. Projects are likely to be in the residential red zone, for a new stadium, and for roading, three waters, and land drainage. Council is free to bid for other projects, but those will be funded within the \$298.5 million cap.
2. As part of transitioning to local leadership, the Council will be able to choose the projects for which it prepares investment proposals.

*Category 1: Residential red zone*

3. To meet the Category 1 eligibility criterion, projects must be located in (or predominantly in) the geographically defined residential red zone, and not be inconsistent with the eligibility approach to Category 3: Horizontal Infrastructure projects set out in paragraphs 5 and 6.

*Category 2: Stadium*

4. To meet the Category 2 eligibility criterion, investment proposals must be a contributing component of the stadium project.

*Category 3: Three waters, land drainage, and roading*

5. To meet the Category 3 eligibility criterion, projects must be related to three waters (fresh water, storm water, waste water), land drainage, or roading, must be consistent with wider central government policy (for example, with regard to wider emergency management policy and practice regarding essential infrastructure), and

*Three waters and land drainage*

- must have direct links to Canterbury earthquake regeneration outcomes;
- must be for new three waters or land drainage infrastructure; and
- cannot be related to renewing, repairing, improving, operating, or maintaining existing three waters or land drainage infrastructure, or other business as usual local authority responsibilities for three waters or land drainage

*Roading*

- must have significant direct links to Canterbury earthquake regeneration outcomes, particularly as set out in *An Accessible City*; and
  - cannot be predominantly or solely related to renewing, repairing, or maintaining existing roading, or other business as usual local authority responsibilities for roading
6. The Category 3 criteria are necessary to ensure that projects under this category are linked to regeneration outcomes under the Greater Christchurch Regeneration portfolio, and not related to the business as usual responsibilities of the local authority for infrastructure. This will ensure that investment in Christchurch is equitable in comparison to investment in other local areas.
  7. To ensure that the Crown does not unintentionally become a part owner of three waters, land drainage, or roading horizontal infrastructure, all funding provided under Category 3 will be operating funding, not capital. That will also clarify that maintenance costs related to that infrastructure will be for the Council.

*Other capital investments*

8. It is possible that Council may wish to use the Acceleration Fund for projects other than the three categories above, although early soundings suggest this is unlikely. I propose to signal to the Council that other projects are eligible for funding, but would need a very compelling case, and that funding for other projects would reduce the amount of funds available for the three preferred categories.

**John Beaglehole**  
**Consultant, Commercial Operations**  
**The Treasury**

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**From:** Anstiss, Brendan <Brendan.Anstiss@ccc.govt.nz>  
**Sent:** Tuesday, 31 July 2018 10:06 am  
**To:** John Beaglehole [TSY]; Anne Shaw [DPMC]; Allie Stedman [DPMC]  
**Cc:** Simone Hurley [DPMC]  
**Subject:** RE: Proposed eligibility criteria for accessing the CRAF  
**Attachments:** Eligibility criteria for the Acceleration Facility.docx

Hi John and team, as agreed, marked up are some track changes to the below - we are ok with category 1 and 2, but as discussed the other day, category 3 as currently articulated would have perverse outcomes (in that it would provide funding for low priority or made-up works). I've suggested some changes, including some wording at front end to emphasis the unique situation we are in. Happy to further discuss.

Anne, are we ok with those dates proposed re: CRAF and Council public meeting of 13 Sept?

Cheers, Brendan

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**From:** John Beaglehole [TSY] [mailto:John.Beaglehole@treasury.govt.nz]  
**Sent:** Thursday, 26 July 2018 11:42 a.m.  
**To:** Anstiss, Brendan <Brendan.Anstiss@ccc.govt.nz>; Anne Shaw [DPMC] <Anne.Shaw@dpmc.govt.nz>; Allie Stedman [DPMC] <Allie.Stedman@dpmc.govt.nz>  
**Cc:** Simone Hurley [DPMC] <Simone.Hurley@dpmc.govt.nz>  
**Subject:** Proposed eligibility criteria for accessing the CRAF

Brendan,

In advance of this afternoon's call, I have set out below the current proposed eligibility criteria for the CRAF. We look forward to discussing these with you at 3.30.

Kind regards,

John

### **Eligibility criteria for the Acceleration Facility**

1. The intended purpose of the Acceleration Facility is to provide certainty, confidence and demonstrable progress towards Christchurch's ultimate regeneration. It will do this through making capital available to the Council, for investment in regeneration. Projects are likely to be in the residential red zone, for a new stadium, and for roading, three waters, and land drainage. Council is free to bid for other projects, but those will be funded within the \$298.5 million cap.
2. As part of transitioning to local leadership, the Council will be able to choose the projects for which it prepares investment proposals.

*Category 1: Residential red zone*

3. To meet the Category 1 eligibility criterion, projects must be located in (or predominantly in) the geographically defined residential red zone, and not be inconsistent with the eligibility approach to Category 3: Horizontal Infrastructure projects set out in paragraphs 5 and 6.

*Category 2: Stadium*

4. To meet the Category 2 eligibility criterion, investment proposals must be a contributing component of the stadium project.

*Category 3: Three waters, land drainage, and roading*

5. To meet the Category 3 eligibility criterion, projects must be related to three waters (fresh water, storm water, waste water), land drainage, or roading, must be consistent with wider central government policy (for example, with regard to wider emergency management policy and practice regarding essential infrastructure), and

*Three waters and land drainage*

- must have direct links to Canterbury earthquake regeneration outcomes;
- must be for new three waters or land drainage infrastructure; and
- cannot be related to renewing, repairing, improving, operating, or maintaining existing three waters or land drainage infrastructure, or other business as usual local authority responsibilities for three waters or land drainage

*Roading*

- must have significant direct links to Canterbury earthquake regeneration outcomes, particularly as set out in *An Accessible City*; and
  - cannot be predominantly or solely related to renewing, repairing, or maintaining existing roading, or other business as usual local authority responsibilities for roading
6. The Category 3 criteria are necessary to ensure that projects under this category are linked to regeneration outcomes under the Greater Christchurch Regeneration portfolio, and not related to the business as usual responsibilities of the local authority for infrastructure. This will ensure that investment in Christchurch is equitable in comparison to investment in other local areas.
  7. To ensure that the Crown does not unintentionally become a part owner of three waters, land drainage, or roading horizontal infrastructure, all funding provided under Category 3 will be operating funding, not capital. That will also clarify that maintenance costs related to that infrastructure will be for the Council.

*Other capital investments*

8. It is possible that Council may wish to use the Acceleration Fund for projects other than the three categories above, although early soundings suggest this is unlikely. I propose to signal to the Council that other projects are eligible for funding, but would need a very compelling case, and that funding for other projects would reduce the amount of funds available for the three preferred categories.

**John Beaglehole**  
**Consultant, Commercial Operations**  
**The Treasury**

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### Eligibility criteria for the Acceleration Facility

1. The intended purpose of the Acceleration Facility is to provide certainty, confidence and demonstrable progress towards Christchurch's ultimate regeneration. It will do this through making capital available to the Council, for investment in regeneration. ~~–This reflects the catastrophic and unprecedented scale of damage from the 2010/11 Canterbury Earthquake Sequence and the long legacy of repair works resulting from the damage.~~ Projects are likely to be in the residential red zone, for a new stadium, and for roading, ~~and three waters, and land drainage.~~ ~~The fund is capped at \$298.5 million. Council is free to bid for other projects, but those will be funded within the \$298.5 million cap.~~
2. As part of transitioning to local leadership, the Council will be able to choose the projects for which it prepares investment proposals. ~~To provide guidance three categories for initial eligibility are proposed.~~

**Commented [AB1]:** As previously advised, Land Drainage wasn't in scope for funding via the Cost Sharing Agreement (or HI / SCIRT) and including it now may reopen original eligibility arguments.

**Commented [AB2]:** This is perhaps a way around the need to provide some structure, but also for the Crown not to be seen to overly limit the options!

#### Category 1: Residential red zone

3. To meet the Category 1 eligibility criterion, projects must be located in (or predominantly in) the geographically defined residential red zone, and not be inconsistent with the eligibility approach to Category 3: Horizontal Infrastructure projects set out in paragraphs 5 and 6.

#### Category 2: Stadium

4. To meet the Category 2 eligibility criterion, investment proposals must be a contributing component of the stadium project.

#### Category 3: ~~Horizontal infrastructure (including t~~Three waters, ~~land drainage,~~ and roading)

5. To meet the Category 3 eligibility criterion, ~~projects must be related to three waters (fresh water, storm water, waste water), ~~land drainage,~~ or roading, must not be in~~consistent with wider central government policy (for example, with regard to wider emergency management policy and practice regarding essential infrastructure). ~~It is expected that suitable projects will be over-and-above (or timing in advance of) what Council are currently providing and funding in the LTP (i.e. not simply a different funding source for existing commitments), thereby ensuring greater regeneration and wider or better services to the people of Christchurch. In addition: , and~~

#### ~~Three waters and land drainage~~

- must have direct links to Canterbury earthquake regeneration outcomes ~~– and therefore by their nature, be unique to the circumstances in Christchurch;~~

- must be for new three waters ~~or land drainage~~ infrastructure projects or for bringing forward the delivery of projects (i.e. provide certainty and acceleration of projects not currently committed); and
- ~~cannot be related to renewing, repairing, improving, operating, or maintaining existing three waters or land drainage infrastructure, or other business as usual local authority responsibilities for three waters or land drainage~~

#### *Roading*

- must have significant direct links to Canterbury earthquake regeneration outcomes, and therefore by their nature, be unique to the circumstances in Christchurch particularly as set out in *An Accessible City*; and
- must be for new roading projects or for bringing forward the delivery of projects (i.e. provide certainty and acceleration of projects not currently committed [this does not mean that they must be “new roads”]), ~~cannot be predominantly or solely related to renewing, repairing, or maintaining existing roading, or other business as usual local authority responsibilities for roading~~

6. The Category 3 criteria are necessary to ensure that projects under this category are linked to regeneration outcomes under the Greater Christchurch Regeneration portfolio, ~~and not related to the business as usual responsibilities of the local authority for infrastructure. This will ensure that investment in Christchurch is equitable in comparison to investment in other local areas.~~
7. To ensure that the Crown does not unintentionally become a part owner of three waters, land drainage, or roading horizontal infrastructure, all funding provided under Category 3 will be operating funding, not capital. That will also clarify that maintenance costs related to that infrastructure will be for the Council.

**Commented [AB3]:** I've removed this last sentence as I don't think we can argue that the need is equitable – hence the investment is (or is not in this case) equitable.

#### *Other capital investments*

8. It is possible that Council may wish to use the Acceleration Fund for projects other than the three categories above, although early soundings suggest this is unlikely. I propose to signal to the Council that other projects are eligible for funding, but would need a very compelling case, and that funding for other projects would reduce the amount of funds available for the three preferred categories.

---

**From:** John Beaglehole [TSY]  
**Sent:** Thursday, 2 August 2018 2:18 pm  
**To:** Richardson, Mary; Anstiss, Brendan  
**Cc:** Anne Shaw [DPMC]; Shane Collins [DPMC]  
**Subject:** CRAF revised investment proposal template  
**Attachments:** 3981630\_20180709 CRAF revised investment proposal template.DOCX

Mary, Brendan,

I enclose the revised investment proposal template. Please note that I have not updated the eligibility criteria. Mary, there is no change to the stadium eligibility criteria from what is provided in the document. Brendan, I am still working through your suggested amendments on Category 3.

This document is not going to Cabinet, but the Minister will need to sign it off before you complete your proposals. Please provide me with any feedback you have, by the end of next week.

Many thanks,

John

**John Beaglehole**

**Consultant, Commercial Operations**

**The Treasury**

Mobile: s 9(2)(g)(ii)

1 The Terrace, PO Box 3724 Wellington 6140 New Zealand

Draft as at 2 August 2018

# Capital Regeneration Acceleration Facility Investment Proposal Template

This document is intended to outline projects for which funding is sought from the Capital Regeneration Acceleration Facility. A greater level of detail will be appropriate for any project where the total funding sought is more than \$50 million.

Date:

## Proposal Outline

Name of Proposal

Eligibility ~~C~~criteria

Indicate which Eligibility Category this Proposal seeks to apply for funding under the Acceleration Facility. Please refer to Appendix A for a description of each eligibility criteria.

- Residential Red Zone
- Stadium
- ~~Three waters / Land d~~Drainage / ~~Horizontal Infrastructure~~Roading
- Other

Overall priority rating

Indicate what the overall priority rating is based on the assessment under "Priority Criteria" – High, Medium, or Low  
Incl. Priority x out of y proposals prepared e.g. 1 out of 3

Brief description of the Proposal

Include a high-level description of what the proposal is intended to achieve and why it is needed. Also include how this Proposal fits within the Eligibility Criteria indicated above.  
e.g. Funding to support the development of a Stadium to replace the temporary Stadium in Christchurch

Overview of benefits and costs

Include a brief description of what the potential benefits and costs of this Proposal will be. Identify any public benefits for Christchurch or the wider region. Identify any costs for other Crown entities (e.g., LINZ).  
e.g. Proposal will support a wide array of large-scale activities, contributing to the Christchurch economy. The project will also act as a catalyst for other investment in the surrounding precinct. It is expected that this will cost \$x over five years, with on-going operational costs. There may be some disruptions to the surrounding area during construction.

Commercial and / or ~~F~~financial ~~V~~viability

Include a brief description of why you consider that this Proposal is commercially and / or financially viable.

Draft as at 2 August 2018

e.g. *Is there evidence of demand for the Proposal? Has a feasibility or pre-feasibility study been conducted? What are the whole-of-life costs and benefits, including renewals and refurbishments? If the project will require ongoing operating costs, how are these proposed to be funded?*

**Indicative total costs and breakdown**

*Include an indicative cost profile for specific project costs or phases along with indicative time-periods  
e.g. Preliminary design, site preparation, construction etc.*

**Acceleration Facility funding is requested and when it is likely to be required**

*Include an indication of when Acceleration Facility funding is expected to be required, what other funding will be used to fund the project, and, if possible, the breakdown of requirements-funding, by source, over the years*

*e.g. Initial funding of \$x is expected to be required in October 2018. The summary of funding required is outlined below:*

18/19	19/20	20/21	21/22	Out-years	Total

**Other funding sources**

*Are other sources of funding committed, anticipated, or being sought? If so, from where, and for what purpose? Please ensure that funding is included in the table above.*

**Potential risks for the Proposal and how these might be mitigated**

*Include a high-level description of the potential risks of the project and how these might be mitigated. For large projects, please provide greater detail around risk, and include a description on what could happen that could mean the Council would regret doing this project, and how would it react if that event took place.*

*e.g. Risk that delays in the design phase could lead to delays in when funding is required. This could contribute to cost over-runs over time leading to a more expensive project.*

*Mitigation will include the establishment of a governance framework to oversee delivery of the Proposal which will be accountable to...*

**Statutory or regulatory implications**

*Will the Proposal have any statutory or legislative implications? If yes, please provide a brief description of what legislation and why you consider it may be affected. If you consider amendments to existing legislation or regulation might be necessary, indicate this clearly.*

**Management arrangements**

*Who is responsible for overseeing this Proposal? (Including Council, Crown, joint or other responsibilities). What management (or governance) arrangements will be put in place, and will these change over the life of the Project?*

Draft as at 2 August 2018

Key project milestones	Date	Milestone
	dd/mm/yyyy	
	dd/mm/yyyy	

## Prioritisation Criteria

For each of the Prioritisation Criteria below, include a brief description of how the Proposal meets the criteria and provide a rating of High, Medium, or Low, for how the Proposal meets each category. Include any red flags or areas of concern.

### Public Benefit

<b>People Community wellness and resilience</b>	Briefly explain how the Proposal supports activities that improve the social, cultural, economic and environmental wellbeing and resilience of Christchurch communities etc.	High Medium Low
<b>Environmental</b>	Briefly explain how the Proposal balances environmental considerations	High Medium Low
<b>Economic</b>	Briefly explain how the Proposal contributes to the revitalisation of the Christchurch economy, supports growth into the future, and enables Christchurch to compete with other major centres etc.	High Medium Low

### Regeneration

<b>Rebuild</b>	Briefly explain how the Proposal, in response to the Canterbury earthquakes, contributes to the rebuilding or urban renewal of Christchurch in areas that have yet to be regenerated following the earthquakes	High Medium Low
<b>Catalyse and Stimulate</b>	Briefly explain how the Proposal directly stimulates other investment in Christchurch regeneration and supports investor confidence	High Medium Low

### Acceleration

<b>Advance Delivery</b>	Briefly explain how the Proposal provides a <b>tangible, measurable and lasting</b> advancement of public benefits and regeneration to Christchurch	High Medium Low
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**Draft** as at 2 August 2018

<b>Local Responsibility</b>	<i>Briefly explain how the Proposal supports local involvement in future decision making and responsibility and builds local capacity and capability</i>	<i>High Medium Low</i>
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Draft as at 2 August 2018

## ***Appendix A to the template – definitions***

### **To be updated after Cabinet decisions on DEV paper**

#### ***Category 1: Residential red zone***

To meet the residential red zone eligibility criterion, projects must be located in (or predominantly in) the geographically defined residential red zone, and not be inconsistent with the eligibility approach to Category 3: Horizontal Infrastructure projects, outlined below.

#### ***Category 2: Stadium***

To meet the stadium eligibility criterion, investment proposals must either be a contributing component of the stadium project.

#### ***Category 3: Horizontal infrastructure***

To meet the horizontal infrastructure eligibility criterion, projects must:

- a) directly relate to new horizontal infrastructure or land drainage projects with direct links to Canterbury earthquake regeneration outcomes;
- b) cannot be related to renewing, repairing, or improving existing horizontal infrastructure, or other business as usual local authority responsibilities for infrastructure; and
- c) and not be inconsistent with wider central government policy (for example, with regard to wider emergency management policy and practice).

#### ***Category 4: Other***

The Crown will consider projects that fall outside Categories 1 – 3, but the Council will have to make a very compelling case, and it must be clear on its face that the investment compares favourably against any bids made in Categories 1 – 3. There is no guarantee any Category 4 bids will be successful.

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**From:** John Beaglehole [TSY]  
**Sent:** Thursday, 9 August 2018 10:08 am  
**To:** Anstiss, Brendan  
**Cc:** Anne Shaw [DPMC]  
**Subject:** Eligibility for CRAF funding -- Category 3

Dear Brendan,

Thank you for your email. We appreciate the approach you have outlined. On balance, however, we would prefer to use the original text. This is because of the precedent risk the Crown faces if it adopts your suggestions.

There are two specific areas we should note.

- We have left land drainage in the list of eligible projects. Including it will not prevent the Council raising land drainage as an issue during global settlement discussions, and it will allow the Council to use CRAF money on land drainage projects, should it so desire.
- We have retained the possibility of other projects (outside the three main categories) being funded from the CRAF. We understand your concerns about where this might take individual Councillors, but would rather leave that door open, to give greater opportunities for local leadership.

Finally, we understand the Council proposes to allocate some of the CRAF funds to the residential red zone. Do you have a sentence or two on the types of projects you anticipate funding?

If it is useful to talk through this, Anne and I are in Christchurch tomorrow.

Kind regards,

John

**John Beaglehole**  
**Consultant, Commercial Operations**  
**The Treasury**

Mobile: s 9(2)(g)(ii)

1 The Terrace, PO Box 3724 Wellington 6140 New Zealand

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**From:** John Beaglehole [TSY]  
**Sent:** Wednesday, 29 January 2020 1:43 pm  
**To:** 'Anstiss, Brendan'  
**Cc:** Matthew Gilbert [TSY]; Anne Shaw [DPMC]; Bellette, Carol  
**Subject:** RE: CRAF - OARC and transport projects -- next steps

Brendan,

Thank you for the email, and our earlier discussions on this topic.

Like you, the Crown wishes to see the CRAF projects proceed quickly, and sees them as important to Christchurch's regeneration. As we have signalled, the roading and OARC investment cases are such that we feel comfortable advising Ministers that they could be supported, with the clarifications about drawing down funding that is now at issue.

As we have discussed previously, and as discussed with Council teams over recent months, both investment cases are light on detail, giving indications of what work could be carried out, rather than a schedule of works. Both cases set out more works than the CRAF can fund.

To that end:

- The Crown wants to provide for maximum flexibility in how the funds are used, enabling Council to change the work programme as priorities change
- The Crown does not wish to become involved in, or comment on, Council decisions on timing, prioritisation, commissioning or procurement of these works (as long as they are captured by the investment cases) – meaning the Crown does not have (nor does it wish to have) the ability to “consider” Council's proposals

But, to provide good accountability, the Crown would be looking for an indication of what the Council proposes to build under each investment case, on a year by year basis, the estimate cost of this work and how much was spend in the previous 12 months (against expectations). If there are ways that this approach could be adapted to make it easier for Council, we would be happy to discuss the detail further. For instance, you might like to provide an indicative schedule for the first four years for each investment case; the Crown could fund the first year and then review funding for the second year against progress.

We see this process as an accountability requirement only. It is not a further control on Council accessing the funds, in that the Crown will not look to approve the proposed works. Nor would the Crown seek to direct the substitution of, say, a cycle trail for some ecological restoration. It is purely a process for drawing down the funds.

At an officials' level, we see this proposal (which is set out in more detail in the funding agreement, albeit that may require some minor tweaking) as the minimum safeguards possible for the expenditure of Crown funds, particularly given that this is \$80 million, not a tiny grant. If you would like, we are willing to take your approach to Ministers and test their views on this matter. We are conscious that seeking direction from Ministers may cause some delays, but will do our best to move quickly. We would make sure any advice reflects Council's views and appreciate that you would want to brief your governors also. Do you want us to approach Ministers? If so, we should discuss how to best align discussions with Ministers with any discussions with Councillors, to ensure that matters are well choreographed between us.

We look forward to hearing from you. Please call if it is easier to discuss.

Kind regards,

John

**John Beaglehole | Te Tai Ōhanga – The Treasury**

Tel: s9(2)(k) | Mobile: s 9(2)(g)(ii) | Email/IM: [john.beaglehole@treasury.govt.nz](mailto:john.beaglehole@treasury.govt.nz)

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**From:** Anstiss, Brendan  
**Sent:** Tuesday, 21 January 2020 12:20 PM  
**To:** John Beaglehole [TSY]  
**Cc:** Matthew Gilbert [TSY] ; Anne Shaw [DPMC] ; Bellette, Carol  
**Subject:** RE: CRAF - OARC and transport projects -- next steps

Hi John,

Thanks for the phone conversation and follow-up email below.

I think for context some background is useful. In Budget 2018, Cabinet approved \$300m of capital contingency (appropriated in 2018/19) with *“draw down subject to completion and Cabinet approval of a satisfactory business case”* (CAB-18-MIN-0158.11). As per the Budget package, *“the Christchurch Regeneration Acceleration Facility was established to support priority projects, within certain categories, as determined by the Christchurch City Council. The purpose of this fund is to provide certainty, confidence, and demonstrate progress towards Christchurch’s regeneration”*.

In 2018 we then worked with you on the eligibility criteria and process for the Christchurch Regeneration Acceleration Facility, and once endorsed by Council this was approved by Cabinet. Cabinet also noted and linked the Council’s ability to access the fund with the completion of the Global Settlement Agreement.

As you will appreciate, over the course of late 2018 and into 2019 Council have followed the requirements detailed by yourself and agreed by Cabinet with respect to accessing the funding under the CRAF. In summary, this has required an initial investment proposal and then, once this was approved, an investment case (broadly following the BBC model). We have also successfully completed the Global Settlement Agreement – thus, all of the agreed requirements for funding have or shortly will be met.

On that latter point, I am pleased that the detailed investment cases submitted on the OARC and transport infrastructure will be supported and recommended for approval to Ministers. We look forward to this happening without further delay.

However, you have proposed introducing a significant and new process prior to the Crown provision of this funding to the Council. You are now suggesting that Council submit a funding request in advance each year, and then presumably, this would be considered by the Crown and if acceptable, annualised funding provided.

As I detailed to you in writing on 29 November 2019 John, the Council’s expectation – on the basis on both the collaborative work by officials over nearly two years, and the public statements by Ministers in announcing this funding, is that once the investment cases (OARC and Transport) are approved by Ministers, that the \$80m in total will be provided to the Council – this is consistent with the local leadership approach that *“these decisions will be made in Christchurch, not Wellington”*. We have positively and collaboratively worked on this basis for a considerable period of time – including in agreeing the Global Settlement Agreement – and the detailed expenditure information is included in the investment cases. These investment cases have been no small undertaken and we believe that they represent a comprehensive and robust evidence basis for this investment.

I noted on the phone John that I was surprised that you have suggested a additional and ongoing process for Council to access the funds – over and above the agreed investment proposal and investment case. Council fully understand the requirements for probity on any expense of tax payer, or rate payer funds. Hence we have completed the process that was agreed by Council and Cabinet with the resulting detail in the respective investment cases. I have also suggested to you that Council reports at the completion of each year on delivery progress, including expenditure. I can understand that the Crown would need to

ensure that the funding was spent as per the proposal. I also think we need to ensure that this funding facility is appropriately distinct from usual Treasury funding for Departmental allocations – for example, there is no suggestion of Crown asset ownership nor ongoing operating obligations from this funding as would normally be the case.

It remains Council expectation that approval of these investment cases would result in the transfer of the full appropriation – in this case, \$80m. I do not feel John that I can agree on behalf of Council to such a change as you have suggested. If this is to be progressed to joint Ministers by Treasury or Crown officials then I think it would be appropriate for us to collectively advise our respective governance – in my case, the Council. I will await further advice from you before doing so, and only if this is necessary. As I note above, I strongly believe that the processes thus far agreed have been completed and we now await confirmation of the investment cases and release of the funding.

Always happy to discuss John, Regards, Brendan

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**From:** John Beaglehole [TSY] <[John.Beaglehole@treasury.govt.nz](mailto:John.Beaglehole@treasury.govt.nz)>  
**Sent:** Thursday, 16 January 2020 5:11 PM  
**To:** Anstiss, Brendan <[Brendan.Anstiss@ccc.govt.nz](mailto:Brendan.Anstiss@ccc.govt.nz)>  
**Cc:** Matthew Gilbert [TSY] <[Matthew.Gilbert@treasury.govt.nz](mailto:Matthew.Gilbert@treasury.govt.nz)>; Anne Shaw [DPMC] <[Anne.Shaw@dpmc.govt.nz](mailto:Anne.Shaw@dpmc.govt.nz)>  
**Subject:** CRAF - OARC and transport projects -- next steps

Dear Brendan,

As discussed just now, we set out in this email a proposed way forward for the OARC and transport CRAF investment cases. This responds to your letter of 29 November (we apologise for the delay in responding). We appreciate the work that has gone into these investment cases, and like you, are keen to progress them.

Broadly speaking, the investment cases are such that we are comfortable recommending to Ministers that they be approved, as the proposed works align with the Cabinet criteria for CRAF funding. We are not seeking a detailed description of which works will happen when; that is because the Crown recognises that the works proposed are of a type that the Council performs frequently, and flexibility in timing is sensible. For that reason, the Crown is prepared to take a light-touch approach, and leave the identification, timing, and specification of particular works to Council.

Even so, Ministers need to be able to provide assurance to Parliament that taxpayer funds are being well-spent. For that reason, we propose an arrangement for accessing Crown funds along the following lines:

1. Council identifies the works for each project that it wishes to undertake in upcoming year, and the estimated cost of those works.
2. The Crown would provide Council with the sum sought for the works concerned (if the Crown has concerns about Council's ability to carry out all of the works within a calendar year, the Crown may provide only partial funding; this would not prevent Council from seeking the remainder of the funds if is on track to carry out all of the proposed works).
3. If it became clear that some of the works could not be carried out, but other CRAF works could be, Council can substitute other CRAF works, with notice to the Crown.
4. Towards the end of the calendar year, Council would identify the works it has carried out, and the actual costs of those works (and by implication, any Crown funds remaining). It would again identify the works it wishes to carry out in the upcoming year, and the estimated costs of those works. The Crown will then fund the second year, taking account of remaining Crown funds. An identical process would apply in later years.

We see this as a relatively straightforward mechanism, that gives Council considerable flexibility, but gives the Crown sufficient assurance about how the CRAF funds are being spent. We see this as a light-touch review – for

instance, the Crown is not asking to review quotes for works, or audit the costs of those works. The Crown is also offering to fund annually in advance, not arrears, which will create fiscal advantages for Council. We note that Crown agencies are funded on a far more restrictive basis – for instance, s9(2)(i) is funded quarterly, and we require QS reports on anticipated costs.

We trust this arrangement will prove satisfactory to you. We propose that – rather than making further amendments to the investment cases – we memorialise this and like matters, such as Council assumption of risk around the projects, in a brief funding agreement, to apply to both the OARC and transport CRAF proposals. We have attached a very initial draft for you to consider (in the interests of getting something to you quickly, this is still subject to some internal Treasury review).

We look forward to hearing from you.

Kind regards,

John

**John Beaglehole | Te Tai Ōhanga – The Treasury**

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