

INSIGHTS INTO CANTERBURY: FINDINGS OF RESEARCH ON THE CANTERBURY EARTHQUAKES RECOVERY

JUNE 2013

Between February and April 2013, the NZ Council for Infrastructure Development (NZCID) undertook a programme of research which sought to understand how the recovery was tracking; what was going well, how the governance, planning, funding, decision making and delivery of infrastructure were progressing and what changes, if any, should be planned for the future.

There were two components to the programme of research:

1. Stakeholder interviews (n=43) – 1 hour in-depth interviews with infrastructure sector leaders, Central and Local Government representatives, business leaders, NZCID members, Iwi, MPs and other key stakeholders

2. Online survey (n=35 organisations) – a 10-15 minute online survey directed to infrastructure sector leaders and other key decision makers in the Canterbury Earthquakes Recovery

This document provides a summary of the findings and recommendations.

EXECUTIVE SUMMARY

The research undertaken by NZCID on how the Canterbury Recovery was tracking revealed a story of dichotomies: household vs city rebuilding. Immediate vs long term priorities. Local vs regional action. Tangible vs strategic progress. East vs West. Christchurch vs Wellington.

At the most fundamental level, there was an urgent plea for the resolution of insurance and housing uncertainties, particularly for those people most impacted by the earthquakes, who are still struggling to meet their basic physiological needs nearly 3 years on (see Maslow's Hierarchy of Needs, Figure 1).

Redoubling the focus on initiatives to retain people and capital in Christchurch, and the need for a more tangible sense of momentum and progress through the visible proof of new buildings, particularly in the CBD where people are missing the vibrancy and beating heart of the city, were also seen as immediate priorities.

Parallel to this city focus was the need for some bigger picture, macro thinking and action at a regional level. The clear definition of a recovery vision for the Canterbury Region to which everyone subscribes and rallies, the development of a long term master plan for greater Christchurch including the rural hinterland, and some thinking around an enhanced governance structure to better leverage the strengths of the region were all seen as desirable actions (see Figure 2).

Enhancing the relationships between local Councils and CERA through the adoption of an alliance culture, finalising the financial commitments to the recovery from the respective levels of government, providing market transparency about the project pipeline and decision making

processes, and planning for the post CERA transition were other recommendations highlighted by the research.

Moving forward, once the aforementioned issues have been addressed, NZCID recommends that options for the future governance of Christchurch and the wider Canterbury region be developed to allow a preferred option to be decided before the next local government elections in 2016. The various governance options should be formed by a collaborative working party of business and community representatives, and central and local government stakeholders from Greater Christchurch and across the Canterbury region, and should include at a minimum:

- a return to pre-earthquake local governance including an elected Regional Council;
- a single unitary council for greater Christchurch;
- or a single unitary council for Canterbury.

Once a decision has been made about the desired governance structure, it is imperative that it is supported with visionary leadership and a spatial plan setting out the long term future development of the Canterbury Region (see Figure 2). International best practise tells us that only with these key building blocks in place, will we have a chance of ensuring the Canterbury of tomorrow will be the thriving economic region, New Zealand needs.

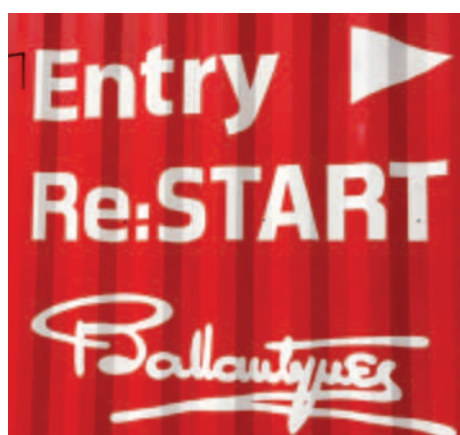


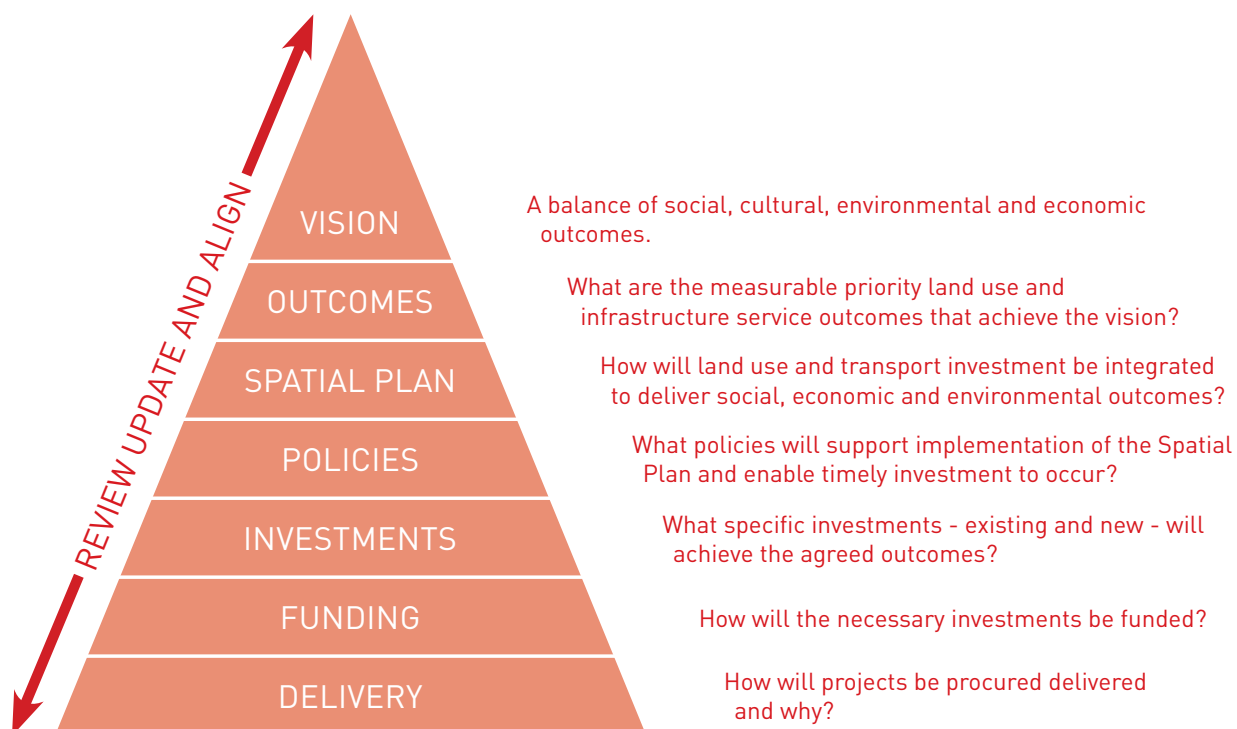
FIGURE 1

MASLOW'S HIERARCHY OF NEEDS



FIGURE 2

THE VISION FOR THE REGION AND ITS INFRASTRUCTURE



RESULTS

WHAT HAS GONE WELL?

The following areas were identified as highlights of the recovery:

- The **lifeline response** immediately after the earthquakes was felt to be exceptional
- **Red zoning** was a bold decision, which although contested by some, has given many people certainty and the ability to move on
- The release of the visionary **Blueprint** was a milestone for the city
- A significant amount of exportable seismic/engineering/disaster relief **IP has been developed which will be exportable**
- There are **infrastructure and asset management lessons for NZ**
- The earthquakes have created a **platform for opportunities** – many businesses are growing and thriving, many staff now have wider skillsets and unemployment has declined
- **Health and safety standards have been raised**, which will have benefits for the construction industry in New Zealand
- The **social and community aspects** of the recovery have been well implemented and received
- **New collaborative business partnerships** and models have been established
- The **dedication of staff** to their roles and to the city has been outstanding
- **SCIRT** is generally seen as a successful, effective model



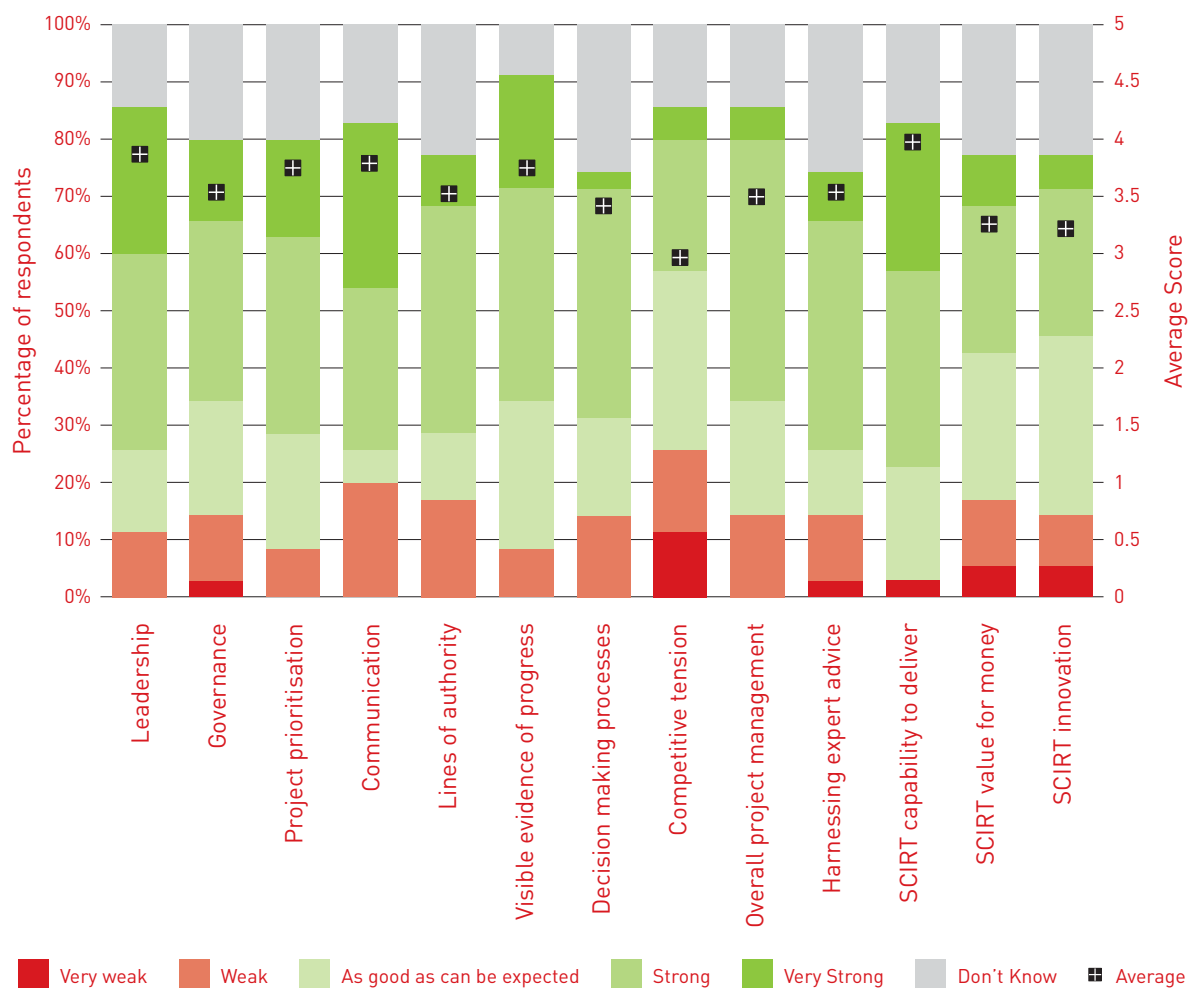
SCIRT (STRONGER CHRISTCHURCH INFRASTRUCTURE REBUILD TEAM)

In the online survey, we asked respondents to rate how they perceived SCIRT had performed on a number of different criteria. As can be seen on the graph (Figure 4), for most criteria, SCIRT is perceived by survey respondents as performing strongly or very strongly.



FIGURE 3

SCIRT - HOW DO THINGS CURRENTLY STAND?



The findings are generally echoed by the indepth interview results:

By and large, SCIRT is probably the best thing going for Christchurch right now.

I think the infrastructure rebuild is probably one area of the recovery of Christchurch which, you know, people look at and say stuff's really happening, and, you know, its making things better.

SCIRT has been a flagship, and has provided a lot of confidence within the industry, but also in the community, and the fact that it got up and running so quickly and so orderly, and key people reported it (as such) was good.

We see road works as a sign of progress.



SCIRT... has provided a co-ordinated strategic structure that is getting on with it. We need it with government, but we also need it with the vertical infrastructure, and we have got a real hotch potch at the moment.

The fact that it doesn't make the headlines, its behind the scenes, I think is a testament that its doing well.

I think the fact that SCIRT got up and running so very, very quickly and is now operating at absolute, you know, almost capacity, has been a credit to the organisations involved.

Someone said to me the other day, "wouldn't you have been better to do this under a traditional method?" You would be still trying to scope the bloody work; you would never be out there constructing what we are constructing!

OVERALL SITUATION IN CHRISTCHURCH

We then turned to the overall situation in Christchurch and asked survey respondents to rate how things were progressing in the recovery across a wide range of areas.

The results were mixed with **Pride in the City, Optimism for the Future** and **Blueprint for the City** being scored highly by both the online respondents and indepth interviewees.

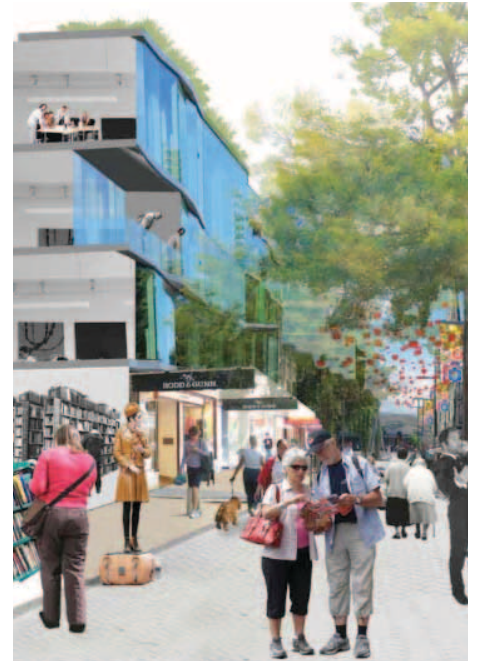
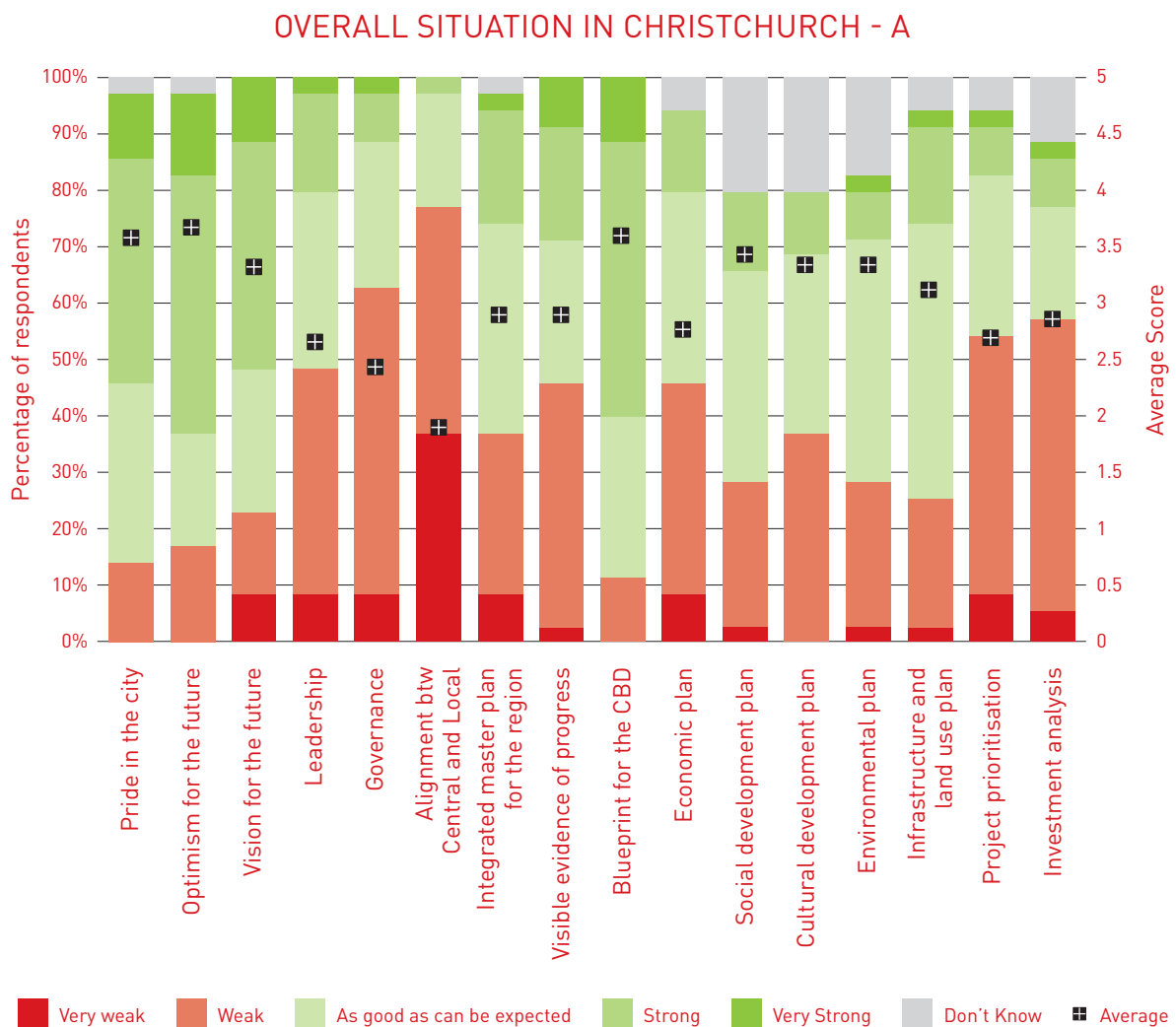


FIGURE 4



Are you optimistic about the future of Christchurch?

Bloody Oath! Absolutely! I think it's going to be an incredible city and it still is... I think we're going to have the amenities that we would never have had. Yeah, we're building a new metro sports complex here, we're going to have a convention centre that's going to be world class, we're going to have rugby stadiums that are going to be everything we've always dreamed of having. We're going to have a CBD that going to be alive and vibrant again. ...We're going to have a river park that's going to be the best in the world, so I think if we actually pull off the Anchors projects, it's going to be a city that's going to be pretty incredible.

If a lot of little things and some big things are done well you know we could be sitting here in ten years' time thinking what a great place this is.

The Blueprint – that's where there's clarity and certainty for people, and it puts a stake in the ground and says to people: "this is what it's going to be", and it lets people refocus and move forward.

The Blueprint was a great idea and it's a great thing that everyone's grabbed on to it. The problem I see is – the momentum that perhaps was started with the announcement of the Blueprint, has not been maintained.

There needs to be a very senior group of people who can overview the whole damn thing and pull it together and it doesn't exist at the moment.

Getting CERA and the City Council on the same page is number one.

That's a real frustration and a lack of alignment, I suppose, between Council and CERA in public spats and things like that.

Leadership, Governance and Alignment between Central and Local Government did not fare well, with between 50-70% of the online respondents rating them as weak or very weak. Interviewees voiced the same degree of dissatisfaction.

How effective do you think leadership has been throughout the rebuild?

[Cough] I don't know that I'd want to answer that one!

Central government, local government and the community are not working together, we are not. There is a lot of dysfunctionality... No one will admit it, but it's true, and we have to get over that, there is too much at stake, and there are some really significant structural issues.

What do you think about the Blueprint?

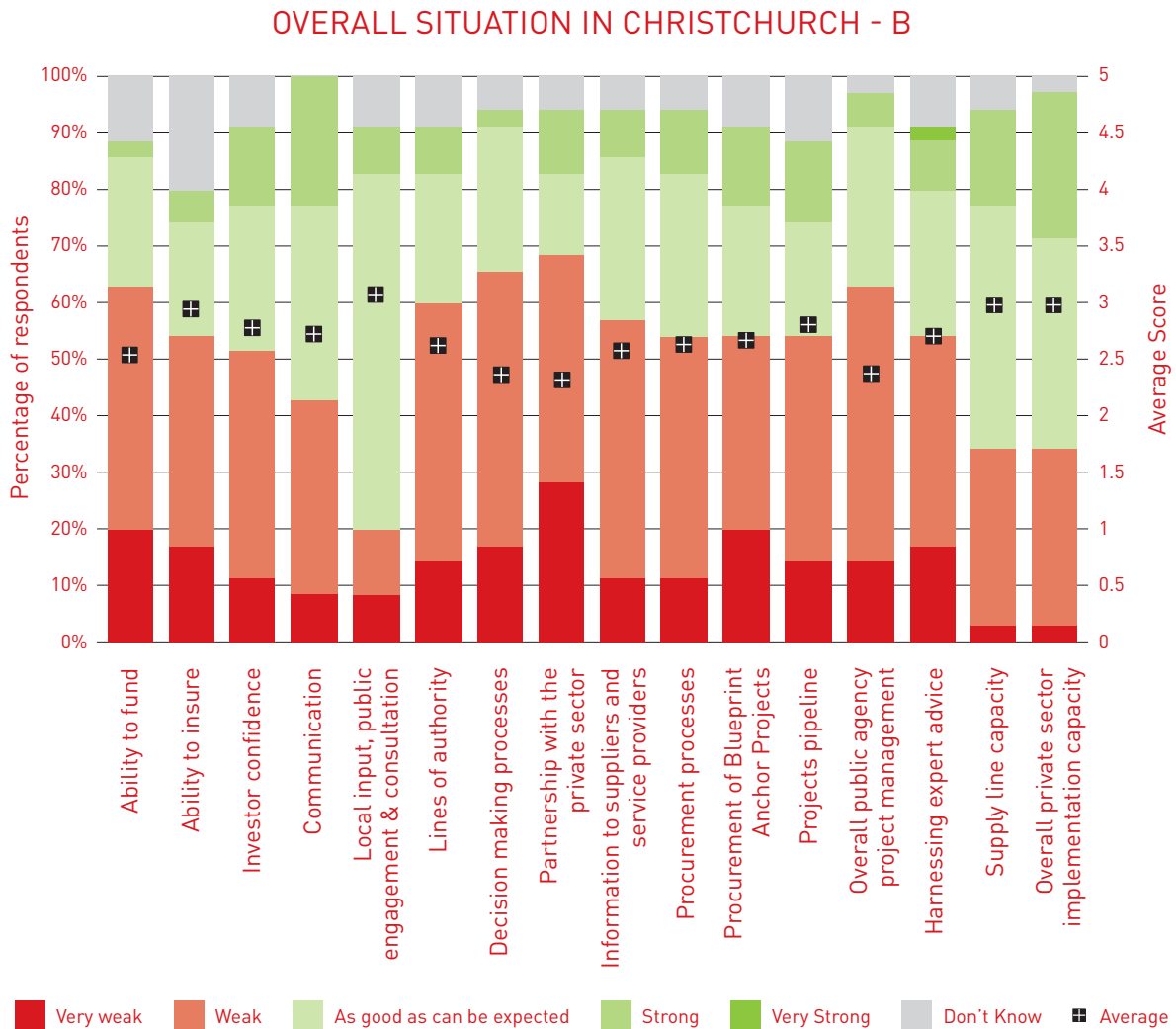
The 31st of July, 2012, when the Blueprint was released, was a milestone day for the city, and I think the concept of getting a CCDU – you know, the Central City Development Unit – together as a subgroup of CERA was good... And the Blueprint that was produced, you know, that was a big tick.

Who's in control? Who is leading this? Well, no one knows.

It's a problem of the many-headed monster... there's too many heads trying to run Christchurch at the moment.

There is a big gap, and the big gap is the connectivity. The big gap is the collaborative interface, the big gap is getting a mechanism where central government, local government and the community can work effectively together.

FIGURE 5



The Ability to Fund was rated poorly by over 60% of the respondents, and interviewees concurred.

As soon as they can decide who pays for what in terms of infrastructure development, I think it moves forward a lot faster. I think the underground stuff has been sorted out a lot quicker.

...decisions need to be made and communicated on who is leading and who is responsible for sorting that funding out, like this on-going debate about what percentage the government is throwing into the infrastructure part and how many assets the city have to sell to fund the effort.

...The other thing is that there isn't clarity around funding. So who is paying for what?

There's going to be this stand-off, which I think is going to take quite a long time to resolve in terms of who's funding what.

The role of government, and in theory the anchor projects... is as a catalyst, to give confidence to the private sector to say "yeah, we're coming back, because we know there's a future". Therefore the role of government is to spend the first dollars, - but as we sit here today, if someone said "what will the government's commitment to Christchurch be?", who knows?

Local Input, Public Engagement and consultation scored well, with 70% of the online respondents rating it as good as can be expected or strong. Interviewees were less positive.

They consult well, but they've told so much, or consulted so much, people are over-consulted and now they just want to see action.

I think the Council's 'Share an Idea' consultation, getting people on board – was fantastic. That was a huge success. And I had my 12-13 year-old down at the event centre, you know, putting yellow stickies on things. I think that the timing and the momentum and the interest that gave it – 40,000 people turned up over two days. I think that was an outstanding success.

Just do it – and we have had enough sticky coloured things.

... the communication from all of them has been rubbish. My magic wand is that every single communication with an affected person would have been having to be cleared by a communications team within CERA, that was not designed for government spin but was designed to provide information, quality assured information, to the public.

I think some other things that have happened have been pretty gutsy on both the council and on Government's behalf. You know, just talking about the red zoning of land – I have lots of reasons to say it was a bad thing, but actually, when I look, that was a gutsy, gutsy call.

Partnership with the Private Sector received mixed results.

If you look at the actual investment in terms of recovery, most of it is going to come from the private sector. And that's something that is not understood by most people in CERA. They think that the Government is responsible for recovery.

Decision making processes took a hit with over 60% rating it weak or very weak, although some interviewees felt more positive about it.

I'm a supporter of CERA. I thought CERA, as that enabler in the early period was really good. Decisions were made.

I keep saying to them, you know my board has the choice of investing that money in Nelson, Dunedin or wherever and because we are in Canterbury, you know we are a classic South Island company, we want to invest in Christchurch but they are not making it easy for us.

Brownlee – he's made really difficult decisions and he's made them almost fearlessly... you name one decision he's made that's not right? You can't. Maybe the timing, maybe a little bit less brisk, maybe so-and-so – but you name one decision he's got wrong?

One thing that surprises me is – maybe it shouldn't, but it does, is that the extent to which the private sector still wants leadership from us. I can understand they want visibility on projects, that's fine, but the extent to which we get people coming to us, asking us for advice on how we think they should execute, is surprising.



The Procurement of Blueprint Anchor Projects was also seen as weak or very weak by over 50% of respondents.

Yeah, where are the anchor projects? The time of the city plan being released is well and truly over. I think you'll find people will start to get frustrated.

I think CERA might have to extend beyond 2016 because, just the roll out of the anchor projects won't be far enough advanced

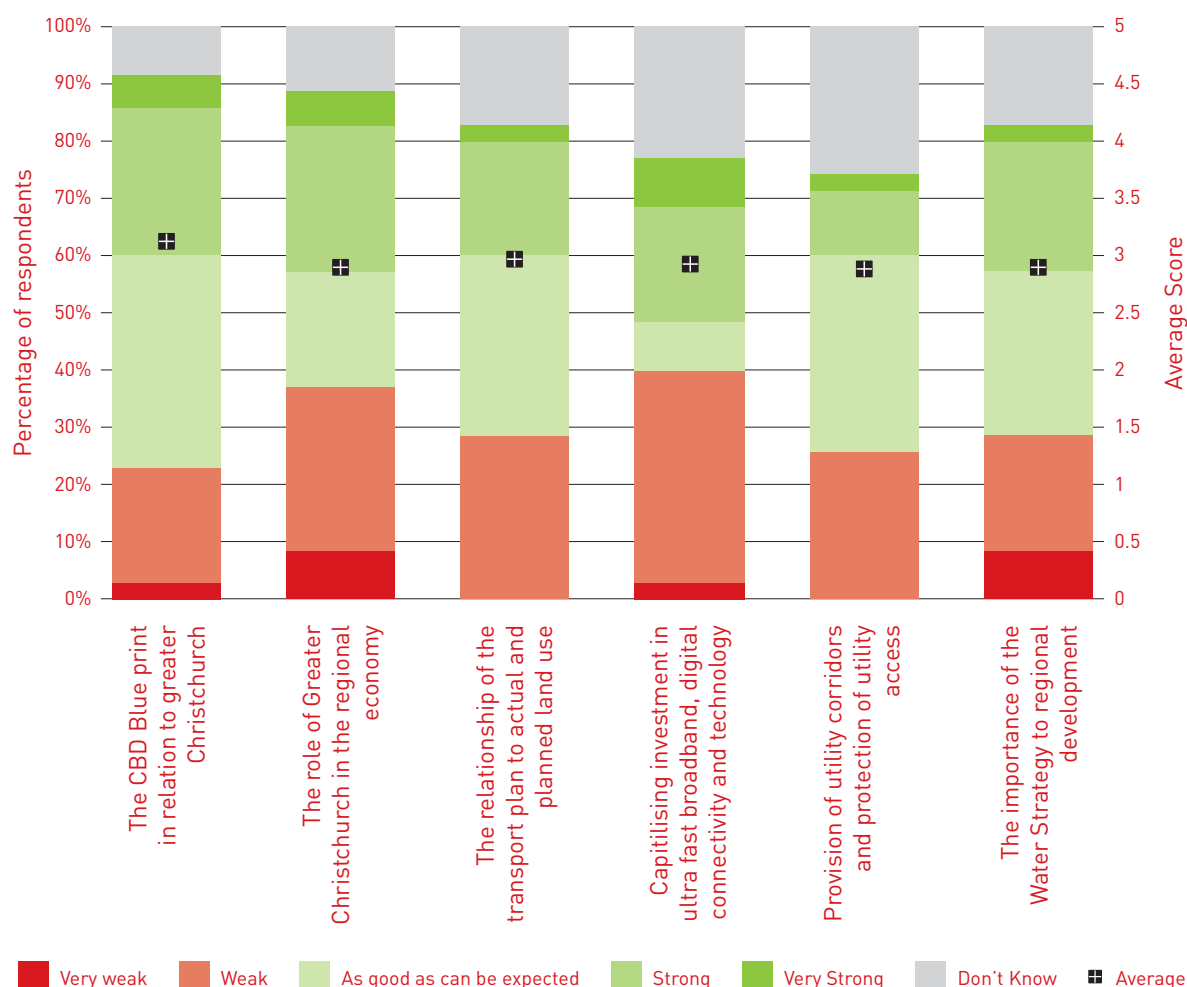
Some of the procurement and the timeliness is now getting a bit out of kilter. Things are starting to drift a bit which is causing some frustration and concerns. And I think, you know, there is also a bit of a concern about the way in which procurement is happening on those bigger projects. It's quite protracted and it's taking a lot of resources, a lot of tap dancing going on and everyone's trying to court and no one's quite sure. There just doesn't seem to be a lot of clarity and transparency around how it's happening, when it's happening.

LEVEL OF INTEGRATION BETWEEN INFRASTRUCTURE AND LANDUSE PLANS

We see a mixed bag here, with the CBD Blueprint in relation to greater Christchurch perceived as being well integrated, however the role of Greater Christchurch in the regional recovery and the importance of the Water Strategy to regional development are both rated as very weak by greater numbers of respondents.

FIGURE 6

LEVEL OF INTEGRATION BETWEEN INFRASTRUCTURE AND LANDUSE PLANS

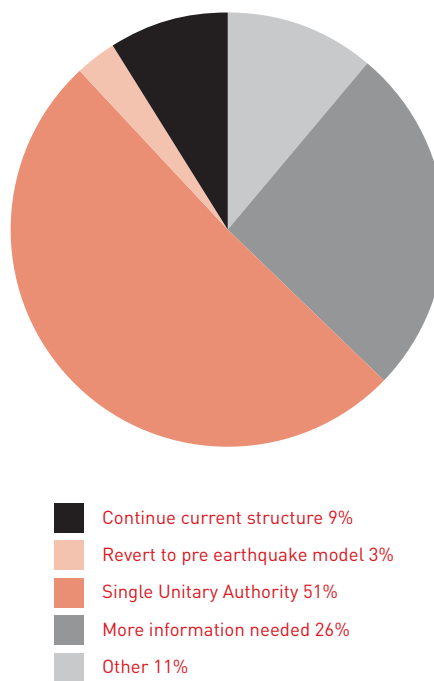


INSTITUTIONAL ARRANGEMENTS FOR CANTERBURY MOVING FORWARD

Over half of the online survey participants felt that a single unitary authority would best serve the region moving forward.

FIGURE 7

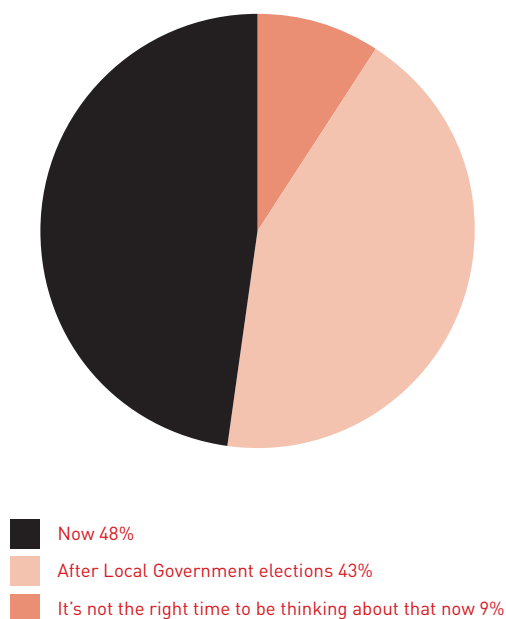
INSTITUTIONAL ARRANGEMENTS FOR CANTERBURY MOVING FORWARD



Nearly half of the online survey respondents felt that we should start thinking and planning for this now. This increased to 91% by after the Local Government elections.

FIGURE 8

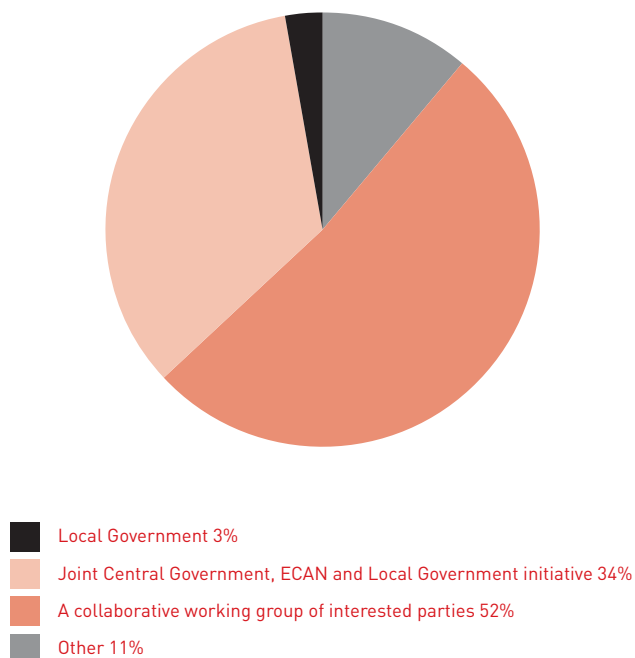
WHEN IS THE RIGHT TIME TO BE THINKING ABOUT THE INSTITUTIONAL ARRANGEMENTS FOR THE REGION BEYOND CERA?



More than half of the respondents felt that a collaborative working group of interested parties would be best placed to lead thinking about institutional arrangements in Canterbury moving forward.

FIGURE 9

WHO SHOULD BE LEADING THE THINKING ABOUT FUTURE INSTITUTIONAL ARRANGEMENTS IN CANTERBURY?



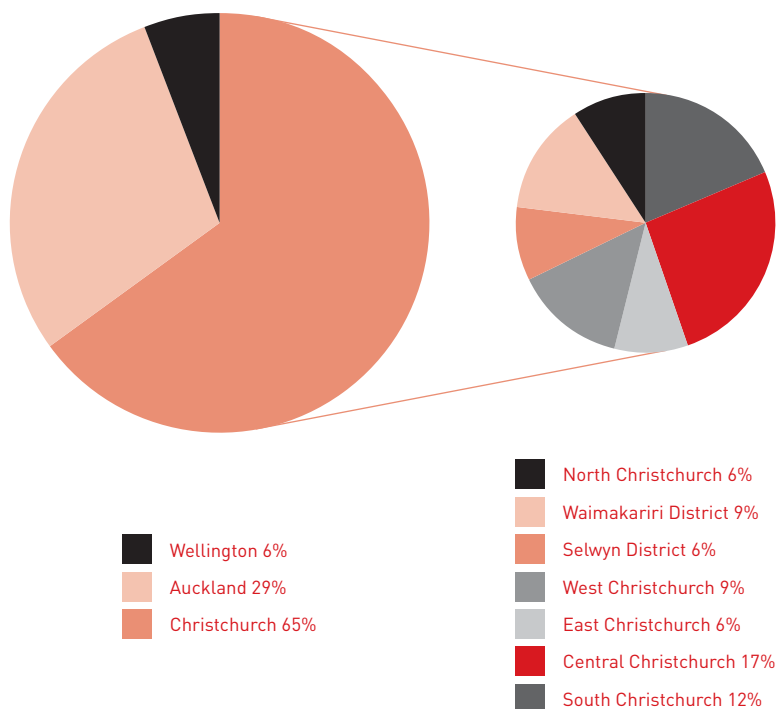
SURVEY RESPONDENT DEMOGRAPHICS

Where do you live?

65% of the online survey respondents lived in Canterbury, fairly evenly spread around the city and region. Aucklanders comprised 29% of the sample, and Wellingtonians 6%.

FIGURE 10

WHERE DO YOU LIVE?

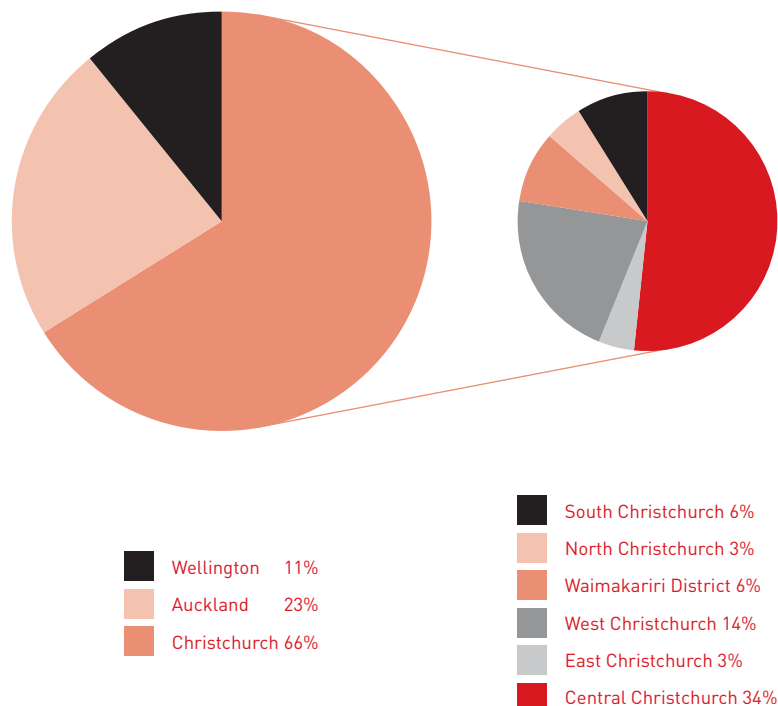


Where do you primarily work?

Two thirds or 66% of the online survey respondents worked in Canterbury, with half of those working in Central Christchurch. 23% of the sample worked in Auckland and 11% in Wellington.

FIGURE 11

WHERE DO YOU PRIMARILY WORK?



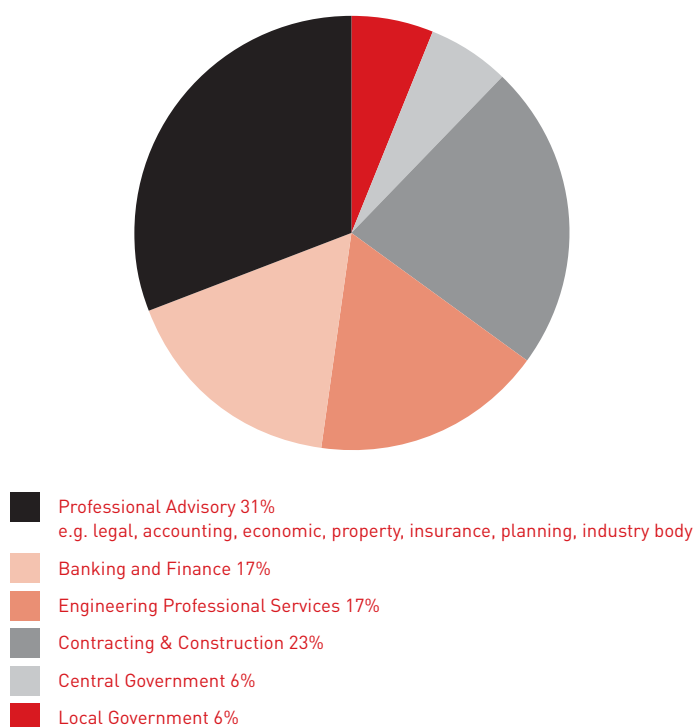
In which sector do you primarily work?

The private sector represented just over three quarters (78%) of the online sample and was spread amongst Professional Advisory (31%), Contracting and Construction (23%) and Engineering and Banking (17% respectively).

The indepth interview sample was more strongly weighted towards the public sector, with close to 40% of respondents representing various Central and Local Government bodies.

FIGURE 12

IN WHICH SECTOR DO YOU PRIMARILY WORK?



ACKNOWLEDGEMENTS

NZCID would like to acknowledge all interview participants and survey respondents who provided their views on the progress of the Canterbury Recovery. As the online survey was anonymous, we are unable to thank individual respondents, however we would like to acknowledge the following organisations, whose leaders and senior managers took time to participate in the indepth interviews.

Anderson Lloyd Lawyers
Beca
BNZ
Canterbury Employers Chamber of Commerce
CCDU
Centre for Advanced Engineering
CERA
CERA Community Forum
Christchurch City Council
Christchurch City Holdings Ltd
Christchurch Development Corporation
Christchurch International Airport
City Care Ltd
ECAN
Federated Farmers
Foodstuffs South Island Ltd
Fulton Hogan
Holcim
Irrigation NZ
Lyttelton Port
McConnell Dowell Contractors
Members of Parliament for National/
Labour
Meridian Energy
Ministry of Business Innovation and
Employment
MWH NZ
Ngai Tahu
Northington Partners
Opus International Consultants
SCIRT
Selwyn District Council
The Treasury
University of Canterbury
Waimakariri District Council

MORE INFORMATION

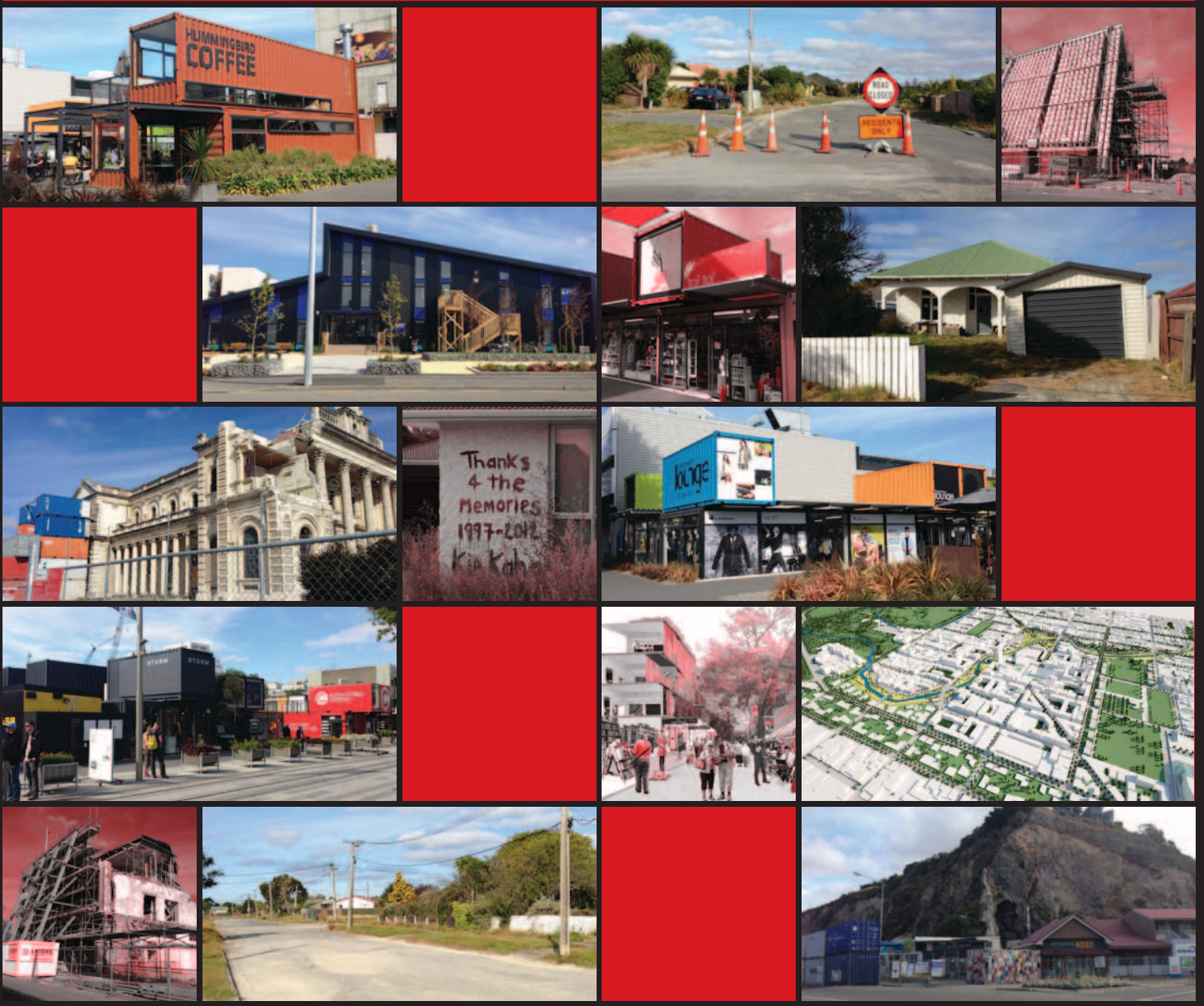
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Christchurch is an incredibly strong community, and that's one of the reasons why we have done so well in a post-earthquake environment because the one eyed Cantabrians are alive and well, let me tell you.

I used to say well before the earthquakes ever struck, that you can measure the strength of a community by where you'd want to be when a disaster struck. Well, I would like to be in Christchurch, because we work together and we have a sense of community that is unparalleled anywhere in New Zealand.

Interviewee, February 2013