Land Zoning Policy and the Residential Red Zone: Responding to land damage and risk to life

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Introduction

The Canterbury Earthquake Recovery Authority (CERA) was established in March 2011 to lead and coordinate the recovery from the devastating earthquakes in 2010 and 2011 in the Canterbury region. The land damage in some residential areas in the greater Christchurch area was severe. On the ‘flat land’ of the Canterbury plains, there was extensive lateral spreading, severe liquefaction and significant disruption of infrastructure (roads, and freshwater, wastewater and stormwater networks). On the Port Hills, properties were at risk of rock roll, cliff collapse or land slippage that threatened the lives of residents.

This case study sets out how the Government of New Zealand (referred to as the Crown) developed a set of policy responses to the damage to residential land in greater Christchurch. This social policy initiative was directed at meeting the needs of people living in the most damaged parts of greater Christchurch. It was innovative internationally as it gave many households an opportunity to be helped to relocate from land that had been severely affected by the earthquakes and avoid lengthy insurance negotiations. This case study focuses on CERA’s land zoning policy and subsequent residential red zone policy issues, and outlines lessons identified through the five years of developing and implementing this set of policy initiatives.

- Note that although these areas are referred to as ‘residential red zone’, not all of the land was ‘residential’. The term ‘residential’ was used to distinguish these areas from the ‘red zone’ within the cordon around the Christchurch city centre.
- In addition, while the term ‘zone’ was used to refer to these areas, the term could just as easily have been ‘classification’ or ‘area’. It did not indicate a change in legal planning status.
What was the Government’s policy response?

Geotechnical engineers were commissioned to do rapid technical assessments of land damage. Officials from the Department of the Prime Minister and Cabinet, Treasury and CERA used this information to advise the senior ministers and Cabinet (executive government) on a range of possible policies to respond to people living on the most damaged land and properties where the risk to human life was unacceptable.

It became clear that in some areas the land damage was so severe that only area-wide measures would resolve the problem. Possible solutions were either to remediate the land with large-scale works across the entire area, or to find another way of helping affected property owners.

New Zealand is one of the most highly insured countries in the world, with almost 90 per cent of home owners insuring their properties. As part of their home insurance cover, all policy holders also have cover for damage to land through the government-owned Earthquake Commission (EQC). This kind of cover is unique to New Zealand.

Without Government intervention, property owners were likely to face significant delays in resolving insurance issues. Property owners, insurers and the public were unclear about which areas were and were not feasible for rebuilding in the short to medium term, and the Government was concerned that insurers and reinsurers were likely to lose confidence in the Christchurch and/or New Zealand market and might pull out all together.

Officials spoke to insurers about how they might respond if the Crown acquired insured properties on severely damaged land. They were concerned that if the Crown acquired the land compulsorily, it could prejudice claims against insurers. This concern related to the insurance law doctrine of proximate cause: if the Government was to step in and compulsorily acquire residential properties, what would be the proximate cause of the people’s loss – the earthquake or the Government action?

Another remaining concern was that a Crown offer to purchase the land at a value above present market value could be seen as a Crown intervention. However, because of the need for speed and simplicity, in June 2011 Cabinet decided to take a ‘zoning’ approach and to make a voluntary offer to purchase insured residential red zone properties.

In developing its policy response, the Government agreed to the following objectives:

- Certainty of outcome for property owners as soon as practicable
- Create confidence for people to be able to move forward with their lives
- Creating confidence in decision-making processes (for home-owners, business owners, insurers and investors)
- Using the best available information to inform decision, and
- Having a simple process in order to provide clarity and support for landowners, residents, and businesses in [residential red zone] areas.2

To meet these objectives, the Government’s first policy response consisted of two main components:

- CERA land zoning – introduce a process for categorising properties as residential green zone or red zone based on how much land damage the earthquakes had caused in particular areas and whether it was realistic and cost-effective to remediate that damage
- Crown offer – make a voluntary offer to owners of insured residential properties in the residential red zone that would allow them to sell up and move on with their lives.

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1 That is, this doctrine is concerned with identifying the legally recognised cause of the loss of the insured property.
CERA land zoning

On 23 June 2011 the Prime Minister and the Minister for Canterbury Earthquake Recovery made the first announcement about zoning decisions. They highlighted that CERA land zone decisions were based on the best geotechnical information available at the time. They acknowledged that in time more refined geotechnical information would become available; however, the situation was urgent and the priority was to give people certainty as soon as possible.

Every residential property in Christchurch was zoned in one of the following categories:

- **red** – land not recommended for continued residential development in the short term
- **orange** – land needed further investigation
- **green** – land suitable for repairing and rebuilding homes on
- **white** – Port Hills and the central city.

Approximately 5,000 properties were initially identified as being in the residential red zone.

This announcement occurred 10 days after two major quakes on 13 June 2011. These quakes caused new damage to land and buildings.

These decisions were intended to provide the public with easy-to-understand information about the condition of land in certain areas. The Government’s zoning decisions were primarily a social policy for emergency recovery to help people in the worst-affected areas.

By October 2012, all properties in residential areas of greater Christchurch (except the central city) had been zoned red or green. Of the almost 190,000 properties assessed, approximately 180,000 were zoned ‘green’. These property owners could go ahead with insurance claims relating to land damage and the repair or rebuilding of their properties.

**Flat land**

Over 6 square kilometres of flat land (about 7,400 properties) across six different locations were eventually zoned red due to land damage. This land included properties along the Ōtākaro/Avon River corridor, Southshore, Brooklands, Kaiapoi, Pines Beach and Kairaki. This red zone land was referred to as the ‘flat land residential red zone’.

**Port Hills**

Port Hills red zone properties were widely scattered over 197 hectares of land and located in over 50 clusters, each containing between one and 25 properties. These properties were located in Hillsborough, Sumner, Lyttelton and a range of areas on the Port Hills.

Significantly fewer properties were zoned red than in the flat land residential red zone as the assessment considered future risk as well as land damage. Just over 700 properties on the Port Hills were eventually zoned red due to life risk.
Zoning reviews

Flat land review

In June 2012 the Government announced that decisions about the zoning of land on the flat land (Canterbury plains) would be reviewed. The review examined whether the criteria for assessing land as red or green had been consistently applied and whether the boundary lines were appropriate when decisions were made about whether infrastructure (eg, freshwater, wastewater and stormwater pipes) would continue to be serviceable. When the zoning policy was originally developed, there had been no plans to conduct a review. Instead, the decision to review zoning decisions was made in response to a large number of requests from the public.

Officials advocated reviewing decisions made on the flat land residential red zone.

“We got so much feedback in with people that were unhappy. People were unhappy both ways. There were people that were red zoned wanting to be green, but there were plenty of people in the green zone who wanted to be red. So in the end we convinced the Minister that we really needed to give the public an opportunity to request a review and for us to go back and do a check.”

(CERA staff member)

Cabinet appointed a Zoning Review Advisory Group to review all flat land zoning decisions. It had an independent Chair and included technical experts and senior CERA staff. In its report to Cabinet, it proposed some rezoning. It looked at the financial implications of rezoning some properties and gave reasons for its recommendations. Cabinet agreed to the recommendations.

The results of this review process were announced in August 2012. Three properties were rezoned from red to green and 101 properties from green to red.

In part, the flat land zoning review addressed issues that arose because timing had been so tight in making the original zoning decisions and announcing the flat land residential red zone offer to insured land owners in June 2011, only four months after the 22 February earthquake. According to one senior policy specialist:

“The original decisions were made without really any input from the community because of the timeframes, but we saw this review process as a way to have a bit more input from the community and give people an opportunity to have their say and question things. When we communicated it back to the community we were very conscious that we needed to make it really clear. There were a number of people who were green wanting to go red and saw themselves in a terrible situation in the green zone and thought their insurers would not come to the party and that they were being really poorly treated by staying in the green zone.”

(CERA staff member)

Port Hills review

A review of Port Hills zoning decisions, to be conducted by the Port Hills Zoning Advisory Group, was announced in October 2012. The process was very similar to the review process set up for the flat land review. The review panel had an independent Chair and an independent technical advisor. Other members included senior CERA staff and a senior representative of Christchurch City Council.

New geotechnical data informed the final policy advice to Cabinet on this review. The Cabinet accepted the report of the review panel, but made some changes to its recommendations in July 2013.

Because judicial review proceedings had been brought against the Minister for Canterbury Earthquake Recovery in relation to the red zone process (see below), these decisions could not be announced immediately.

In December 2013 it was possible to announce the decision to rezone 237 Port Hills properties from green to red and 33 properties from red to green. As a result of the review, a final total of 714 Port Hills properties were zoned red and Crown offers were made to their owners if they were insured.
A number of additional policy issues had to be considered for properties that were rezoned from red to green. Some had already been sold to the Crown and/or property owners had acted based on the original zoning decision. The length of time that had passed between the original decision and the announcement of the review decisions made these issues more difficult. Officials worked closely with the affected property owners to achieve fair and reasonable outcomes. Former property owners were given the opportunity to buy back their former properties.

The Crown offer

The Crown announced a series of offers between June 2011 and July 2015 to purchase residential red zone properties at the rateable value of those properties in 2007/08. This offer was higher than the post-earthquake market value but roughly equivalent to pre-earthquake market value. These rating valuations were chosen as the basis for the Crown’s offer because they were an independent figure that could be readily applied, and they determined the value for all properties in an area at the same point in time.

Some property owners felt that the rating valuation did not provide a true reflection of their property’s value. However Ministers’ views were that to undertake a valuation for each individual property and negotiate with each property owner on price would have been a long and difficult process. It would not have met the Crown’s objectives of providing a simple process and certainty to property owners.

The purpose of all the Crown offers was to enable households to move out of areas severely damaged by the earthquakes. A key rationale was that this policy gave property owners “the ability to move on with their lives” by avoiding lengthy negotiations with their individual insurers. Accepting a Crown offer was voluntary; there was no compulsory acquisition of land.

Options for insured property owners in the residential red zone

Red zone property owners had two options to choose from if they wanted to sell their property to the Crown.

Option 1 was an offer to purchase the property (land and buildings) at the 2007/08 rateable value (depending on whether the property was rateable in the Christchurch City Council area or in the Waimakariri District Council area), less any land and dwelling insurance payments that the property owner had already received. The Crown would be assigned or take over all outstanding EQC and private insurance claims on the land and buildings. Owners would keep the right to make EQC or private insurance claims relating to the contents of their home.
Option 2 distinguished between land and dwelling claims. Here the Crown offered to purchase the land and any buildings on the property and take assignment of earthquake-related insurance claims relating to land damage only. This allowed owners to continue to pursue their insurance claims on improvements (houses, garages, workshops etc) with EQC and their private insurers. Depending on the terms of their policy and levels of damage to their homes, home owners could claim the costs of rebuilding or reinstating their dwelling and other improvements at another location. These costs could be more than the rateable value of improvements on their properties. Owners would keep the right to make EQC or private insurance claims relating to the contents of their home.

Under both options, ownership of land and buildings and responsibility for security and maintenance passed to the Crown on the settlement date. As voluntary purchaser of the properties, the Crown could take over the insurance claims of property owners and get back some of the cost of purchasing damaged buildings on damaged land.

Insurance

In total, 98 per cent of red zone property owners accepted Crown offers to purchase their properties. As a result, the Government became the single largest claimant for insurance pay-outs from private insurance companies and EQC.

As an assignee under some policy wordings, the Crown was entitled to claim either the depreciated cost of rebuilding the house, or the market value of the house. Where a house was repairable, the original owners may have been entitled to have the house repaired (whatever the cost) or the cash equivalent. In contrast, based on the policy wording, the Crown was entitled to the depreciated cost of those repairs and/or to have the claim limited to the market value of the dwelling.

Other Crown offers

The Crown would get back some of the cost of the $1.9 billion it had spent purchasing property from insured property owners by receiving the insurance payments on the land and buildings. It made lower offers to owners of uninsured or underinsured properties because those properties had a lower value to the Crown, with no insurance claims that could be transferred to the Crown and used to offset the costs of buying them.

The decision to offer less to those who were uninsured or underinsured was based on the principle of being fair to insured property owners who had paid for insurance premiums. Ministers were also concerned about the risk of reducing incentives for property owners to insure their properties in the future if uninsured owners were offered the same as insured owners.

Underinsured red zone properties

A small number of red zone property owners (25 across the flat land and the Port Hills) were underinsured. This meant that their insurance policies only covered damage to their properties for a fixed amount or for a specific floor area. These policies were sometimes insufficient to cover the damage to their building/s after the earthquakes. In these cases, the Government proportionally adjusted the purchase price offered when the buildings on the property were underinsured by more than 20 per cent. If the buildings were underinsured by 20 per cent or less, owners were offered the full amount.

Later the Crown extended its offer to:

- not-for-profit organisations who had insurance for improvements/buildings on their properties
- owners of houses under construction at the time of the earthquakes who were not eligible for land insurance cover, but had insurance for the building process.

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2 The greater of either the 2007/08 rateable land value or EQC’s actual land settlement. Land payments already made would be deducted from any Crown payments. The Crown would take over the right to make an EQC land insurance claim, if EQC had made no payment already.
**Vacant, commercial and uninsured red zone properties**

Vacant, commercial and uninsured red zone properties on the flat land were not included in Option 1 or Option 2 of the Crown offer in June 2011 (see above).

In September 2012 the Crown offered to purchase vacant, commercial and uninsured flat land red zone properties at 50 per cent of the 2007/08 rateable land value. These offers were lower than the offers of 100 per cent of the land and improvement value to insured owners of residential properties. Those with commercial properties were, however, offered 100 per cent of improvement value if those improvements were insured, whereas the uninsured were offered nothing for their improvements. This offer became the subject of judicial review (see below).

**Rāpaki Bay**

Rāpaki Bay on Banks Peninsula is Māori freehold land subject to Te Ture Whenua Māori Act 1993. This Act is the guiding legislation for the Māori Land Court, recognising that the land is a taonga tuku iho (handed down from each generation). The Act promotes keeping Māori land in Māori ownership and using it for the benefit of its owners and family (whānau and hapū). The properties were zoned red because they were assessed as presenting risks to life through rockfall.

A policy manager responsible for policy on the Rāpaki Bay properties speaks about the challenges of developing Crown offers that did not alienate Māori land while also being consistent and fair towards all red zone property owners:

> "The offer they’ve got is that they would be paid the rateable value for their land and then the land, instead of being transferred to the Crown, would be transferred into a Māori reservation, so it will be held in perpetuity for those families to have some involvement in [it] … So it was a real balancing act trying to meet all the needs. That’s being worked through at the moment with the Māori Land Court, Te Rūnanga o Ngāi Tahu, Te Puni Kōkiri and the property owners. It’s a very small group of 10 properties but a very, very complex little piece of work.” (CERA staff member)

Four of the Rāpaki Bay properties were insured and six were either vacant properties without buildings or were uninsured properties with improvements on the land. The Crown offers to individual land owners were made on the same basis as offers to all owners of insured, vacant and uninsured improved red zone properties. If owners of these properties accepted the Crown offer, the Crown agreed that the land could be set aside as Māori reservation land.

**Acceptance of the Crown offer**

The final date for accepting the Crown offer was 10 December 2015. At that time, 96 per cent of owners (7,720 of 8,060 properties) in the residential red zone had accepted it.

**Managing Crown-owned land**

Over 6 square kilometres of flat land (about 7,400 properties) and 197 hectares of land spread across the Port Hills were eventually zoned red due to land damage. The Crown became responsible for managing and maintaining these properties – a role no government had taken on before in suburban New Zealand. It was also a uniquely sensitive situation as these had been people’s homes and lives, in many cases for a long time.

Notably, too, a small number of property owners chose not to accept the Crown offer and continue to live in the areas. In some cases these property owners are surrounded by Crown-owned sites and have become physically isolated from other occupied residential properties.

Ministers agreed on a policy to demolish all built structures and clear the acquired properties. Their rationale was that, from a safety and security perspective, cleared sites were easier to manage and less attractive to crime and squatters, as well as minimising the significant costs involved in holding such large areas of residential land.
In some cases it was possible to relocate the buildings to new sites, but in many cases (given the state of the building, moving costs and need to find a suitable new site) relocation was not feasible.

Many requests came from members of the public to use areas of the Crown-owned land for various activities. Due to limited resource to manage such requests, health and safety concerns and the legal requirements of the Canterbury Earthquake Recovery Act 2011 (CER Act), which the land was held under, few requests were granted.

At the time of writing, no decisions have been made on the future of the red zone land the Crown acquired in either Waimakariri or Christchurch. There is a significant amount of work ahead to determine what the land will be used for in the future and it will likely be many years before final uses are implemented. For the Waimakariri red zone a process of public engagement commenced in October 2015. It is expected that Regenerate Christchurch will lead the development of a regeneration plan(s) for Christchurch red zone areas.

Before

![Before Image](image1)

After

![After Image](image2)

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4 http://www.redzoneplan.nz
Legal challenge

The Crown offer to purchase vacant, commercial and uninsured red zone properties in September 2012 was challenged in the court. The challengers were Fowler Developments Ltd (a company owning vacant red zone land in Brooklands) and a group of individual or joint owners of vacant, commercial and uninsured red zone properties referred to as the ‘Quake Outcasts’.

<table>
<thead>
<tr>
<th>Date</th>
<th>Court</th>
<th>Ruling</th>
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<tr>
<td>August 2013</td>
<td>High Court</td>
<td>The creation of the red zone and the offer to owners of red zone vacant, commercial and uninsured properties was unlawful.</td>
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<tr>
<td>December 2014</td>
<td>Court of Appeal</td>
<td>The creation of the red zone was lawful. The offer of 50 per cent of the rateable land value was not lawful as the purposes of the CER Act had not been considered. A distinction could be made between owners on the basis of their insurance status. At this point the Quake Outcasts and Fowler Developments Ltd appealed to the Supreme Court.</td>
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<tr>
<td>March 2015</td>
<td>Supreme Court</td>
<td>The offer to the “uninsured and uninsurable” owners of red zone properties was not lawful because the purposes of the CER Act had not been considered when making this decision. The Minister for Canterbury Earthquake Recovery and the Chief Executive of CERA must reconsider the offers to uninsured red zone property owners. The red zone measures should have been part of a Recovery Plan under the CER Act 2011; however, the court recognised that it was not practical to revisit decisions made in June 2011.</td>
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How did CERA respond to the 2015 Supreme Court judgment?

In April 2015 the Minister for Canterbury Earthquake Recovery directed CERA to develop a Residential Red Zone Offer Recovery Plan. It was to provide a framework for revised Crown offers for owners of ‘uninsurable and uninsured’ properties in the residential red zone, but was not to deal with land zoning decisions already made. The Recovery Plan process included two opportunities for the public to make submissions on the draft plan.

In July 2015 a Residential Red Zone Offer Recovery Plan was notified. The Chief Executive was then able to make new Crown offers to the owners of vacant, commercial and uninsured red zone properties. To owners of vacant red zone land, the Crown offered to purchase their property at 100 per cent of the 2007/08 rateable land value.

The Crown offered to purchase red zone commercial properties at 100 per cent of the 2007/08 rateable land value and 100 percent of the value of the insured improvements on the property. Owners could choose to accept only the Crown offer for the land and follow up their insurance claims for buildings from their insurers.

The owners of uninsured red zone residential properties were offered 100 per cent of the rateable land value, but would receive no payment for uninsured buildings. They could relocate, salvage or sell improvements on the land before selling it to the Crown. After settlement, the Crown would take on the cost of demolishing any buildings left on site.

The Crown also re-opened offers to owners of insured red zone property (including properties owned by not-for-profit organisations, and partly built and underinsured properties) who had not accepted earlier offers to purchase. These included both Option 1 and Option 2 offers. Owners had until 10 December 2015 to decide whether they would accept these revised Crown offers. The final settlement date was 26 February 2016.
Given the increased value of the offers for vacant, commercial and uninsured properties, the Crown also offered ex gratia payments\(^5\) to those that had already sold their properties to the Crown. In this way, no one was disadvantaged if they had accepted the earlier Crown offer.

A residual group of the Quake Outcasts representing 16 properties lodged further judicial review proceedings in February 2016, seeking 100 per cent payment for the uninsured improvements. The High Court is likely to consider this case in late 2016.

Challenges to developing residential red zone policy

CERA staff who worked on land zoning advice and developed residential red zone policy met with the following challenges.

Data issues

The information available about particular damaged properties was often uncertain and incomplete. There was no spatially referenced national database of property boundaries and ownership; rather, several databases held slightly different property information. It was necessary to match data so that the Crown could provide correct information to the correct owners about the particular situation for their property.

Timeframes

Timeframes were very tight because the Government was under pressure from the public to give them certainty about the future of their homes. One of the earliest policy advisors to work for CERA remembers the Minister for Canterbury Earthquake Recovery arriving at the temporary premises the advisor was working at to pick up a paper being prepared for a Cabinet meeting on 27 June. At this meeting, Cabinet was due to confirm policy decisions on zoning an ad hoc Ministerial Committee on Canterbury Earthquake Recovery made on 22 June. The paper summarised information about zoning categories, the details of the Crown offer to insured owners of red zone residential properties and the reasons for these decisions. Usually papers for Cabinet meetings are sent to the Cabinet Office by Thursday 10am for a Monday Cabinet meeting.

“I remember writing the paper for Cabinet that confirmed the decisions that joint ministers had made about the land zoning … Minister Brownlee drove his truck into the car park and read a draft of the paper that I’d written and provided a few comments and was there while I was making the final tweaks to this paper for Cabinet. That was a Friday afternoon for a Monday morning Cabinet meeting. All of the normal processes around Cabinet committees, officials’ committees and timeframes that you normally require for getting things to Cabinet, we couldn’t meet that and, from my perspective, people were really good at accommodating the time pressures that we were under.” (former CERA staff member)

Technical information

Policy advisors were expected to draw together information from a variety of experts, consider the issues relating to this information and develop advice to Ministers. This was a rapid learning experience.

“I was thrown in with geotechnical engineers who were telling me about lateral spreading and liquefaction and things I knew little about and was suddenly tasked with trying to translate that into something ministers could understand and make the decisions quickly … I think that a lot of the time the engineering recommendation might not fit once you added community wellbeing and the cost … We’d be thinking … How long will it take? What impact will it have on the communities, on the property owners and is that realistic and what’s the best action for the Government to take in terms of letting these people move forward?” (CERA staff member)

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\(^5\) That is, the Crown made these payments as a voluntary measure, rather than being under a legal obligation to do so.
Fairness and justice

The challenge for those scoping alternative actions the Government could take to address the widespread residential land damage was to come up with policy that would have the most positive effects for those in the most difficult circumstances. Policy specialists were also very aware that any intervention had to be fair to everyone in greater Christchurch as well as those not affected by the earthquakes elsewhere in New Zealand.

One policy advisor remembered a Cabinet Minister stating that any policy to support home owners in damaged areas had to consider "What's someone in Invercargill going to think about this?" Action by the Government had to take into account what New Zealanders would think fair and just. This shaped the options for Government action that policy specialists considered and the advice they gave to Ministers.
How was the Crown offer implemented?

In responding to the Crown offer, property owners needed to make complex, life-changing decisions that had legal and insurance implications. CERA knew that property owners would need support to understand the Crown offer and to assess how the different options would impact on their personal circumstances. It was therefore urgent to engage with red zone communities so that CERA could explain the Crown offer, understand community needs and provide support throughout the offer and resettlement processes. This engagement was the social recovery challenge in relation to the Crown offer.

The Residential Red Zone Programme was established to implement the Crown offer policy. The Social Recovery group led this Programme, with support from a multidisciplinary team from across CERA, including staff from Communications, Policy, Legal and the Operations teams.

Residential Red Zone Programme activities

In implementing the residential red zone programme, CERA carried out three types of inter-related activities:

- implement the Crown offer
- engage with the community
- integrate psychosocial services and supports into the implementation activities.

As one CERA staff member said, it was an unusual task: “To all of a sudden be the ‘buyer’ of nearly 8,000 properties. This was not necessarily something the Government has done before.”

The following is a summary of CERA’s main activities related to these three broad areas.

Contact centre

CERA’s contact centre was established with input from customer service managers and service delivery experts. It managed calls and information requests from property owners who had received the Crown offer; led initiatives to proactively call particular groups; and was at the heart of the Residential Red Zone Programme’s implementation activities. One team member said, “In the call centre we had to know everything that was going on. The earlier [we got] the information, the better. We felt included and educated, and like we were giving people the best information.”
The Earthquake Assistance Centres

Two Earthquake Assistance Centres were established as ‘one stop shops’ in red zone neighbourhoods to provide information and help primarily for red zone property owners. These centres were staffed by CERA, insurers, local authorities, legal experts and Canterbury Earthquake Temporary Accommodation Service staff, including Earthquake Support Coordinators and staff who could process Temporary Accommodation Assistance applications.

The role of the centre manager was important for the centres to run smoothly and for residents to speak with the people who could give them the information they needed. Through the centre manager and the booking system, each resident’s reason for contacting the centre could be assessed so that they then told their story to the person who was in the best position to help, rather having to repeat their story until they found that person.

As one CERA staff member said, "One-on-one assistance is key for people to feel like they’re being heard. Having one point of call, a person who knew their story so they didn’t have repeat it over and over again, that was really helpful.”

From the residents’ perspective, the centres provided a one stop shop in their local area where they could gather information from a range of agencies and find out about psychosocial services and supports.

From the agencies’ perspective, the centres were a place where they could connect in person with their customers and develop a shared understanding of each other’s work. The centres were also a place where community-facing staff could be based at a time when office space was scarce.

Community engagement activities

The Residential Red Zone Programme knew that people considering the Crown offer had many and varied concerns, questions and needs and that staff would need to engage directly with communities to understand these concerns and aspirations. It drew on community engagement experts to carefully plan the delivery of engagement over time.

The first step in planning was to engage early with community leaders in the worst-affected areas to learn more about the unique needs of each community. This engagement helped identify ideal locations for engagement, and was also used to test the appropriateness of key messages to ensure people understood land zoning policies and Crown offer processes.

The Residential Red Zone Programme’s planned approach to community engagement was adjusted as the needs of red zone communities changed over time. At first, it focused on communicating high-level messages to all affected red zone property owners at mass meetings. Over time, however, it began to tailor engagement approaches for smaller groups with more specific information needs.

CERA’s red zone engagement started with an intensive series of highly charged community meetings on 24 June 2011, the day after the Prime Minister announced the decision to zone damaged land. The purpose of these early meetings was to explain the rationale behind the zoning decisions, and to outline the next steps for property owners. These meetings continued through into late 2012. CERA’s Chief Executive fronted these meetings to demonstrate the significance of the Crown’s decisions and to acknowledge the difficult decisions that affected property owners were being asked to make. A range of technical and legal experts and insurance companies also presented on aspects of the process that they were leading or supporting.

Throughout this process, CERA staff were ‘fronting up’ to difficult, emotionally charged community meetings on land zoning. They needed to be personally resilient to cope with these challenges, and often drew strength from understanding the real need to be fronting up, and that they were doing the right thing.

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6 Waimakariri District Council opened the Kaiapoi Earthquake Recovery Assistance Centre on 20 September 2010 following the 4 September 2010 earthquake. CERA opened an Earthquake Assistance Centre in Avondale on 19 August 2011.
As red zone property owners and communities moved through the Crown offer process, different and more specific needs emerged for some. To meet these needs, a range of more specialised workshops and seminars, small-group meetings, drop-in sessions and one-on-one meetings gave residents the opportunity to ask questions and provide feedback in the way that suited them best. It was important that property owners had the opportunity to discuss their circumstances and their priorities with a wide range of experts and professionals. As an interviewee from an external organisation comments:

“The community meetings were most probably one of the most effective mechanisms. We maybe didn’t appreciate it at the time, but most people don’t read literature. There’d be a ton of it sent out and it just didn’t get read, and people didn’t understand it. It was just their minds were in a different place.”

Many residents sought solace and reassurance from residents meetings. For many it was a “catch up” with former neighbours, chance to compare “feelings” as well as the monetary value of the offer. Many found the meetings offered a place to hear collective view that allowed them to make a decision based on their singular needs.

At some of those meetings the community leaders also knew the vulnerable, many of them older, with an attitude “I am OK but others are worse off”. These people did not self-select or grandstand; however, they did get introduced to people who could help insurance companies and other support groups would often attend these meetings as well.

Each engagement was undertaken as part of an overarching engagement plan, but was also planned around the unique circumstances of the particular affected community. For example, engagement with property owners in the Port Hills provided technically complex information and communicated potentially distressing zoning decisions. Planning these engagements involved consulting psychosocial recovery experts and developing a process for delivering these difficult messages.

A cornerstone of the Residential Red Zone Programme’s approach was to consider feedback and information gained from community leaders, community engagements and CERA’s contact centre in making decisions on implementation and policy advice.

For example, these streams of information helped identify why some red zone property owners were finding it difficult to make decisions. While property owners who accepted the Crown offer were required to vacate their homes on their settlement date, feedback from the contact centre and community workshops showed that some people faced barriers to leaving their homes. Most often, these people were experiencing delays in the completion of new home builds.7

In response, the Programme briefed the Minister and gained agreement for a case-by-case extension process based on the three criteria that the property owner:

- was vulnerable
- faced barriers to settlement beyond their control
- had exhausted all other reasonable options.8

Integrating psychosocial service and support provision within the Crown offer process

With every land zoning announcement, social recovery practitioners and other staff within CERA worked with partners, including the Greater Christchurch Psychosocial Subcommittee, to ensure psychosocial services and supports were in place for affected home owners. These groups advised on and supported the provision of these services and supports to meet the needs of residential red zone residents. See the Canterbury Earthquake Social Recovery Services and Support Video.

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7  CERA, 2012.
8  CERA, 2013
Throughout the offer process, therefore, property owners were able to access these psychosocial services and supports through the CERA contact centre and the Earthquake Assistance Centres. The Earthquake Support Coordination Service, Salvation Army and Red Cross attended CERA-led community meetings and workshops to provide support.

Considering and accepting the Crown offer, and then leaving homes that were full of memories and communities in which important friendships and relationships had been established, was an emotional and life-changing experience for communities and property owners.

Multiple channels of communication

Extensive communication and engagement was undertaken with individual home owners and affected communities throughout the period of zoning decisions using a multi-channel approach. This included community meetings and workshops (some of which were live-streamed), home visits, street meetings, regular contact with community groups and leaders, community hubs, media announcements and briefings, a contact centre and other telephone calls to affected residents, letters and factsheets, websites and web-based tools, social media and email groups.

According to a CERA official:

“If you wanted to know anything about zoning, CERA was the place you went to for high-quality, up-to-date information … The level of engagement with the community was incredible and incredibly effective. That’s not to say that people weren’t unhappy. Some people hated the decisions that were being made, some people loved it. But they knew what they [the decisions] were, why they were made and what was behind the decisions.” (CERA staff member)

Responding to people’s needs

CERA focused on the most affected residents and tailored the communications and engagement approach to meet their needs. Sometimes this involved identifying residents who were stressed and facilitating their engagement with support services. The Chief Executive was keen to ensure that those under most pressure as a result of zoning decisions received support.

“I took my PA with me and I’d stand at the door and work out who was really aggrieved and really upset. You see people when they get out of their car, you know what sort of state they’re in and as they walk towards you, you know who you need to leave the steps for and go up and greet and introduce yourself. And then my PA would be tagging behind and we’d start resolving someone’s issue or work out who this person needed to talk to out on the street. By the time the public meeting was over my PA would be going to find those people and would have arranged for someone at CERA to get in touch with them.” (former CERA senior leader)

At times, staff at CERA would work around the clock with suppliers (such as printing houses) and mail providers to ensure residents received letters as soon as possible after or at the same time as zoning announcements.

CERA staff called a number of home owners directly about zoning decisions affecting their properties. It was not only by contact centre staff who made these calls, but also members of the Senior Management Team, including the Chief Executive. On one occasion when zoning announcements were made, the Chief Executive was overseas and got up at 3am to speak directly with affected home owners.

My Property website

CERA set up a website on which people could access information about the zoning of their individual property (or properties) with the click of a mouse. The site used the information technology of the Trade Me website.
Communication challenges

CERA staff faced numerous challenges in communicating and engaging with property owners about zoning decisions. Early on, when the Minister for Canterbury Earthquake Recovery made public announcements about Cabinet decisions on zoning, CERA had to ensure that information for affected residents arrived by post or email at the same time. Later the Minister agreed to CERA staff informing affected residents before public announcements were made. He was also heavily involved in deciding what could be communicated and when.

As residents moved around a lot after the earthquakes, it was difficult to keep the database of contact details up to date. In some cases, letter boxes were missing and CERA contacted some people through alternative contacts, such as their lawyers.

Sometimes security was needed at tense community meetings. CERA learnt to sense the mood and have the right people to present the messages. Over time workshops were used in place of community meetings as residents wanted to talk to experts about their individual situations instead of listening to high-level general information.

“They didn’t want all of the political palaver, they actually wanted nuts and bolts. We learnt a lot: that you had to have the right people and you must have the right information and you must have the people in the room who can answer the technical questions.” (former CERA staff member)

“There were also logistical challenges in ‘Where’s a hall big enough that’s not earthquake affected?’, but we would just find a way. They went and had meetings on the streets when we were about to do clearances, come and talk to us outside. It was just always that it’s been our culture that we front up.” [CERA senior leader]

Media representatives were allowed to attend community meetings as long as they didn’t record the meeting or talk to residents who did not want to talk to them.

Measuring the outcomes

While it is too early to fully assess the outcomes of the Land Zoning and Residential Red Zone policies, early indicators are generally positive.

Land Zoning Policy

Properties classified green zone where geotechnical engineers assessed the land as suitable for rebuilding in the short to medium term. This gave property owners and insurers confidence to progress with repairs.

As at 1 February 2016, the Insurance Council of New Zealand figures show private insurers are on track to settle the vast majority of Canterbury earthquake claims by the end of 2016. Private insurers had fully settled $16.7 billion residential Canterbury earthquake claims and 89% of all residential property claims. [9]

There are a small number of property owners who are still negotiating with their insurers to resolve claims for residential property.

Residential Red Zone Policy

The Nielsen 'Residential Red Zone Survey' was completed in February 2015 and surveyed former residential red zone property owners, and their adult household members, who accepted the Crown offer for the purchase of their properties and have concluded the sale and purchase process (or processes) with the Crown.

It considered the recovery objectives which the original policy was intended to achieve (outlined on page 4 of this document), and measured the extent to which they have been met based on the personal experiences of the former owners. In general the balance of opinion in most areas is positive rather than negative.

Based on the views of those surveyed, the Crown offer process gave certainty of outcome to 79% of those property owners who accepted the Crown offer, enabling them to move forward more quickly. The great majority (82%) are of the opinion that, for them, having an offer was a better scenario than not having one. The Crown’s response gave confidence to the majority of property owners surveyed, with 70% feeling confident at the time that accepting the Crown offer was the best thing to do and 66% remaining confident (with the benefit of hindsight) that they did in fact make the right decision. However, of those surveyed the level of confidence expressed in the agencies involved is polarised (38% of former owners agree they had confidence while 33% disagree).
Lessons identified

Social recovery policy is personal: the CERA zoning and red zone offer policy affected people at a more local level than much central government policy normally would, in what was for many the most challenging time in their lives.

Lesson 1: It takes a special kind of team

Taking the time to set up the right team from the start is important. That team includes:

- authentic leaders who are not afraid to make tough calls and who are empowered to do so
- staff with resilience, innovation and agility, and who are willing to push ‘traditional boundaries’
- public policy experts who understand government systems and can navigate them quickly
- technical experts who can assist with the policy advice – such as geotechnical and insurance experts, and legal and community engagement specialists
- staff who are committed to see it through and to build strong institutional knowledge
- staff who can build and maintain strong relationships both within the organisation at all levels (up, down and across) and across key institutions and the community
- staff who can relate to the realities of the situation, understand and are committed to the disaster area and, where possible, are located in the disaster area or city.

Lesson 2: There is no instruction manual for recovery policy

Unlike developing public policy in ‘business as usual’ conditions, developing recovery policy has its own unique challenges.

- Disaster recovery is situation-specific. CERA had few, if any, directly applicable international or national parallels to draw on to develop the policy response so we had to develop policy from scratch.
- Recovery objectives and priorities will always depend on multiple factors such as the scale of disaster, economic and financial situation (private and public), social impacts and capability to respond (private and public). Likewise, those factors will shape trade-offs between individuals and groups, areas, community and national interests etc.
- Expect timing and resource constraints and an incredibly dynamic environment.
- Provide ministers with timely, free and frank advice based on good information. In our experience, that was always better than taking more time to provide advice based on perfect information.

Lesson 3: Achieve a positive recovery for as many people as possible

- You will need to make tough trade-offs between both individual/personal circumstances and community needs, including costs, health and wellbeing and the need for timely, pragmatic policy responses.
- Be as open and transparent as possible and seek to understand people’s situations.
- Put a system of psychosocial services and supports in place to help affected communities.
Lesson 4: Prioritise the process for providing advice to ministers
While CERA was under incredible time and resource pressures, we experienced tensions between processes designed for business as usual and the disaster recovery context.

- Make decisions very early on about the policy development process, in particular the scope for and level of consultation as part of the policy development.
- Understand the legal framework ministers are operating within.
- Consistent, regular communication is vital, but there are inevitably constraints on how much consultation is possible when the public is seeking urgent answers and people are suffering.
- Throughout the process, communicate clearly about and document the context and rationale. For CERA, doing so meant that when decisions were challenged in court, we had the information there about the context for the courts to consider.

Lesson 5: Communication is critical
Communicating such deeply personal information to the public was a huge challenge and we learnt as we went.

- Present information about important policy decisions in a range of different ways and by the right people.
- In interactions with those affected by these policy decisions, include listening and engagement, rather than just having officials transfer information to members of the public.
- Communicate information within the context of the ‘big picture’ of recovery and recovery objectives.
- Anticipate technical issues that can disrupt communication and try to inform those affected by decisions before public announcements of those decisions.
- As the court proceedings highlighted for us, it is important to be clear about policy terms and implications (for example, the multiple meanings of the term ‘zones’).

Lesson 6: Community engagement is vital to your strategy
Make community engagement absolutely core to your programme.

- No community recovery programme can progress until affected property owners and communities have the opportunity to express their views, and to speak about barriers and concerns that are important to them.
- Be clear when you are in informing mode as opposed to collaboration mode.
- Take the time to actively listen to people.
- Use the information emerging from engagement activities to review and reconsider your future approach to engagement planning, implementation and policy.

Lesson 7: Collaboration builds a greater collective understanding for all involved

- Engage with recovery partners who have a stake in your engagement processes. Bring these partners together to build a greater collective understanding of the breadth of issues and technical complexities, and of the impact of the earthquakes on the people’s lives.
- Engage early with community leaders to understand the circumstances and needs of their communities and to create the relationships and networks necessary for ongoing collaboration.
- Value these relationships and make them central to your ongoing planning.
- Community leaders can advise on locations and conditions for engagement specific to their community. Make them part of the engagement process so that they can also help the community hear and engage with your messages.
- Bring partner agencies along with you through your process. Make sure the messages from different partners are consistent.
Lesson 8: Use a planned, adaptive community engagement approach

- Start with large community meetings to communicate core policy and key messages to large numbers of affected residents. Over time, focus more on smaller groups of residents with complex needs.
- In some cases in larger meetings use “breakouts” to discuss points and provide feedback.
- Actively use your engagement process to learn more about the impact of your decisions on communities. Use this information to develop more responsive engagement.
- Be flexible because recovery occurs at different rates for different people. Some people are in circumstances that allow them to make decisions more quickly than others, and some groups are more vulnerable than others.