

9(2)(a)

From: Bryan Dunne
Sent: Thursday, 10 March 2011 9:33 p.m.
To: Juston Anderson 9(2)(a)@treasury.govt.nz; 9(2)(a)
Subject: Mof letter

Hi

Fine if your advice is that it's not needed – just looked a little odd here given previous offer from Treasury to have someone accompany/meet up etc with us on the reinsurance visits.

Cheers
Bryan

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)

Tel: 9(2)(a) bryandunne@eqc.govt.nz

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9(2)(a)

From: Bryan Dunne
Sent: Thursday, 10 March 2011 5:18 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: Document1
Attachments: Document1.docx

EQC insurance cover

- People only have EQC cover if they have house and/or contents insurance with a fire component. In “normal” times most people do have this type of insurance.
- Because there’s been two events broadly in the same location and quite close to each other in terms of time, there’s going to be some situations where:
 - people had EQC cover for the first but not the second event because their insurance policy lapsed or was withdrawn or suspended (we understand most insurance companies have been quite good/lenient)
 - people will get a different level of EQC cover for each event because they were in a different place in our queue for receiving, assessing or actually paying a claim (including introducing them into our PMO scheme)
 - people will get a different level of EQC cover for each event because they were in a different place in our queue and they renewed or changed their private insurance policy in between the events
 - people will get a different level of EQC cover because of any of the above and they have a different type of claim this time (eg they now have a land claim, or they are now over one of our caps)
 -
- We’ve taken advice on what our legal position is in these cases and we’ve adopted a position that aligns with that advice but is generous towards private insurers (and therefore their clients).

9(2)(a)

From: Bryan Dunne
Sent: Friday, 11 March 2011 10:00 a.m.
To: 9(2)(a)@treasury.govt.nz
Subject: Primer - reinstatement of EQC cover 10 March 2011
Attachments: Primer - reinstatement of EQC cover 10 March 2011.doc

[ON EQC LETTERHEAD]

11 March 2011

Hon. Bill English
Minister of Finance
Parliament Buildings
WELLINGTON

Hon. Gerry Brownlee
Minister for Canterbury Earthquake Recovery
Parliament Buildings
WELLINGTON

Dear Ministers

AIDE-MEMOIRE: REINSTATEMENT OF EQC INSURANCE COVER

1. On Friday 25 February EQC provided your offices with a report on the reinstatement of EQC cover for claimants and insurance arrangements for PMO activity. Accompanying the report was a “question and answer” document

(Report: EQC INSURANCE ISSUES: REINSTATEMENT OF EQC COVER FOR CLAIMANTS AND INSURANCE ARRANGEMENTS FOR THE PMO PROJECT)

At a meeting with EQC and our geotechnical engineers Tonkin & Taylor on Friday 4 March 2011, the Minister for Canterbury Earthquake Recovery requested more detailed information on the extent and potential cost of residential land and property damage in a number of Christchurch suburbs. The request included the number of properties that comprise new “Zone B” and “Zone C” following the 22 February 2011 earthquake. This memo, based on data and calculations supplied by Tonkin & Taylor, responds to that request.

- People only have EQC cover if they have house and/or contents insurance with a fire component. In ‘normal’ times most people do have this type of insurance.
- Because there’s been two events broadly in the same location and quite close to each other in terms of time, there’s going to be some situations that might mean some people were uninsured (or partly uninsured) for the second (22 February) earthquake.
- We’ve taken advice on what our legal position is in these types of situations, and we’ve adopted a fair position that aligns with that advice.
- In general, if private insurers are offering or maintaining cover, then EQC will as well.
- The main rule of thumb is that EQC cover continues for as long as that fire insurance policy is in force or until EQC cancels its cover (which EQC can do in some certain circumstance).
- However, the limits or caps on the amount of EQC insurance available (\$100,000 + GST for house, \$20,000 + GST for contents) do not necessarily apply per earthquake. The caps represent the aggregate amount of EQC cover available during the period that the fire insurance policy is in force, unless:
 - the underlying fire insurance policy is renewed; or,

- EQC makes a payment (including registering the property with the PMO).
- If either of those things occurs then the caps are 'reinstated' and property owners can claim the "maximum" again for a different event.
- If neither of those things occurs then, provided fire insurance is still in place for the property, people can claim again, but EQC will only pay out a maximum of \$100,000 + GST (or \$20,000 + GST for contents) for the damage caused by both events combined.
- It's important to remember that the claimant has EQC cover because they have other insurance. So whether the EQC cap has "reinstated" is generally an issue between EQC and their insurer – not between EQC and the claimant.

9(2)(a)

From: Bryan Dunne
Sent: Friday, 11 March 2011 12:00 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: FW: Message from Konica_C552
Attachments: SKonica_C5511031010310.pdf; CON 400 Emergency Works Site Report Rev A.doc

-----Original Message-----

From: 9(2)(a) [mailto:9(2)(a)@fcc.co.nz]
Sent: Friday, 11 March 2011 9:18 a.m.
To: Bryan Dunne
Cc: 9(2)(a) - EQR; 9(2)(a) [FCCA]
Subject: FW: Message from Konica_C552

bryan

Here's some info on some emergency work per your request. Mostly chimneys, walls, making safe etc. I see there is some differences in charging rates, dependent on each contractor's contract. Let me know if you need other info - no spa pools noted to date.....

Also a brief of process is attached - 9(2)(a) you may know if this is being used across all Hubs? This comes from Halswell Hub.

regards

9(2)(a)
Establishment Manager

EQR Command Centre
PO Box 80105, Riccarton, Christchurch 8440
Ph: 9(2)(a) 7 Email: 9(2)(a)@fcc.co.nz

Helping the recovery in CANTERBURY

The Fletcher Construction Company | As agents for The Earthquake Commission

From: 9(2)(a) [mailto:9(2)(a)@eqr.co.nz]
Sent: Thursday, 10 March 2011 11:20 a.m.
To: 9(2)(a)
Subject: FW: Message from Konica_C552

9(2)(a)

As discussed I have attached 6 sample contractor invoices for emergency work.

Before the invoices can be certified for payment we will verify that:

- the work was completed – Supervisor sign off required
- the rates and charges for the work are acceptable

- the work has not been claimed previously

Our process for managing the emergency work is to;

- authorise the work on a manual emergency works order
- complete a site report that captures the relevant facts as the work proceeds – see attached.
- visit the site on completion to verify that the work was done.

If there is any other information you require, please let me know.

Regards

9(2)(a)

Quantity Surveyor

EQR Halswell Hub

346 Halswell Road , Halswell , Christchurch

Ph: 9(2)(a)

Email: 9(2)(g)@eqr.co.nz

Helping the recovery in CANTERBURY

The Fletcher Construction Company | As agents for The Earthquake Commission

From: scanner@eqr.local [mailto:scanner@eqr.local]

Sent: Thursday, 10 March 2011 11:32 p.m.

To: 9(2)(a)

Subject: Message from Konica_C552



EMERGENCY WORK DAILY SITE REPORT

ASSESSMENT REPORT (Circle Option)

Hub	Suburb
Claim Number	Contractor
Name	Supervisor
Address	Report Date
Address 2	
Source of query	Work Start Date
Work Order No.	Work Finish Date

Category			Status			Notes
			24hr	48hr	3-5 days	
Urgency						Essential Information – ask owner to contact EQC 0800 326 243
Owner to provide claim #	Yes	No				
Local Hub contacted	Yes	No				
Safe	Yes	No				
Secure	Yes	No				
Weather tight	Yes	No				
Sanitary	Yes	No				
Chimney work	Yes	No				
Danger to neighbouring properties	Yes	No				
Winter heating claim (primary heat source lost)	Yes	No				
Special needs	Elderly	Medical	Young Family	Stressed	Other	
Structural report required	Yes	No				
Building consent required	Yes	No				
Land Issues? Liquefaction, other etc	Yes	No				
Lab. & Mat. std rates	Yes	No				\$45.00 plus GST and 7.5%
Observations						
Actions Required						

COMPLETION REPORT (Circle Option)

Peace of mind issues	Yes	No	
Emergency Works Complete?	Yes	No	

HOMEOWNER COMMENTS

SIGN OFF

	Signature	Name	Date
Owner/Tenant Name			
Supervisor Name			

EMERGENCY WORK DAILY SITE REPORT

Interim Field Guide for Emergency Claims (1 March 2011)

Duration

Expected duration for operations in emergency mode is expected to be a minimum of three weeks.

Safety

- Work in team of 2 or more per street
- Do not put your own safety at risk to enter / inspect houses
- Sign in and out of Hub and register your intentions when going to check properties
- Get assistance/ engineers opinion if required

Definition of Emergency Works: Temporary Repairs

- Temporary repairs to remove a safety hazard
- Temporary repairs to make a house habitable until long term repairs can be considered, including to:
 - Make weather tight
 - Make secure
 - Make sanitary

(Depending on the home owner, this may include removal of liquefaction, rubble, ruined carpets, or other clean up to make sanitary etc)

Any winter heating concerns need to be recorded for follow up by the Clean Heat Hub (aka EECA)

Who Qualifies for Emergency Works

- It does not matter if the home is insured or not.
- It does not matter if the home owner has not yet lodged a claim.
- Fletchers can lodge a claim with EQC on the home owners behalf (even if they don't have insurance).
- Properties must be residential – ie repairs will allow somebody to live at the property
- It does not matter if the property will eventually be a write off

Authority

- You cannot force people to leave their house – only advise. Seek advice from your Project Manager.
- Try to keep to your own Hub area
- Keep good records.
- You need authority to carry out:
 - Demolition works – from your Project Manager
 - Any works on a red stickered building – from an engineer
 - Any building within a cordoned off street – from whoever is maintaining the cordon
- Home owners are authorised by EQC to carry out "Minor Emergency Repairs" up to \$2,000.
- FCC is not restricted to \$2,000 – over \$10,000 supervisors should seek authority from their Project Manager.

EQC Claim

Fletchers/EQR can lodge a claim for emergency all works on behalf of the claimant (if claimant has not yet lodged a claim) through the EQC website to generate a claim number and a claim inside the EQC system. These will be then be loaded into ECM by Hub admin or as directed by Hub Project Manager.

As a bare minimum all emergency works should capture claimant name, claimant address and claim number and these details are to be passed to the contractor for invoicing.

9(2)(a)

From: Bryan Dunne
Sent: Friday, 11 March 2011 12:04 p.m.
To: Peter Mellor; 9(2)(a)@treasury.govt.nz
Subject: RE: EQC-related items on Radio New Zealand National this morning in case you haven't heard

Confirming MOF's office already have the info

From: Peter Mellor [mailto:9(2)(a)@treasury.govt.nz]
Sent: Friday, 11 March 2011 12:00 p.m.
To: Bryan Dunne; David Hermans
Subject: FW: EQC-related items on Radio New Zealand National this morning in case you haven't heard

Hi,

I'm sure you are on to this, but can you either provide me or the Minister's office with some background to this. A quick one-liner telling me to ignore is fine if you have already been in contact with the relevant people.

My understanding is that the EQC payment process is up to date (although there might be some one-offs) and that the \$2k cap was talking about two different things - \$10k for the fast track v \$2k for emergency work.

Pete

Peter Mellor | Senior Advisor | The Treasury

Tel: 9(2)(a) 9(2)(a)@treasury.govt.nz

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From: Bevan Lye
Sent: Friday, 11 March 2011 11:52 a.m.
To: Peter Mellor
Cc: Catherine Atkins
Subject: FW: EQC-related items on Radio New Zealand National this morning in case you haven't heard

fyi

You might want to follow up on this with EQC to see what the background is to all this – also the Minister might want some talking points to respond to these concerns.

Bevan Lye | Analyst | The Treasury

Tel: 9(2)(a) 9(2)(a)@treasury.govt.nz

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From: 9(2)(a)
Sent: Friday, 11 March 2011 9:57 a.m.
To: 9(2)(a); Catherine Atkins; Bevan Lye; 9(2)(a)
Subject: EQC-related items on Radio New Zealand National this morning in case you haven't heard

On Morning Report:

Tradespeople warn payment problems may push workers out

Tradespeople in Christchurch are calling for quicker payment for doing quake repairs, warning otherwise they might go bust or have workers leave. (duration: 1'49")

Download: [Ogg Vorbis](#) [MP3](#)

Plumbers say EQC paying bills too slowly

The Plumbers industry body says some plumbers helping Christchurch quake victims are struggling to stay afloat, because the Earthquake Commission is not paying out fast enough for emergency repairs. (duration: 3'05")

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Earthquake Commission defends its claim process

The Chief Executive of the Earthquake Commission, Ian Simpson. (duration: 4'45")

Download: [Ogg Vorbis](#) [MP3](#)

Plumbers in Chch say they're struggling to keep solvent

The plumbing industry says there is festering discontent in Christchurch, over what it calls unnecessary red tape from the Earthquake Commission. (duration: 3'32")

Download: [Ogg Vorbis](#) [MP3](#)

and on Nine to Noon:

EQC Emergency Repairs Cap

The EQC has put a two thousand dollar cap on emergency repairs which may be preventing residents from getting back into their own homes. (duration: 25'50")

Download: [Ogg Vorbis](#) [MP3](#)

9(2)(a)

From: 9(2)(a)
Sent: Friday, 11 March 2011 1:32 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: EQC

Hi Brigitte

I have moved to EQC this week to assist in setting up a Programme Office. Is it still possible for agencies to join the Cross-Agency PMO?

Regards

9(2)(a)

Programme Advisor

EQC

MOB 9(2)(a)

9(2)(a)

From: 9(2)(a)
Sent: Friday, 11 March 2011 6:12 p.m.
To: '9(2)(a)@parliament.govt.nz'; '9(2)(a)@parliament.govt.nz';
'9(2)(a)@dpmc.govt.nz'; '9(2)(a)@treasury.govt.nz';
'9(2)(a)@parliament.govt.nz'; '9(2)(a)@parliament.govt.nz';
'9(2)(a)@parliament.govt.nz'; '9(2)(a)@parliament.govt.nz';
'9(2)(a)@aonbenfield.com'; Michael Wintringham;
'9(2)(a)@xtra.co.nz'; '9(2)(a)@xtra.co.nz';
'9(2)(a)@bovairdpartners.co.nz'; Ian Simpson; Lance Dixon; 9(2)(a)
'9(2)(a)@parliament.govt.nz';
'9(2)(a)@parliament.govt.nz'; '9(2)(a)@breakawayinvestments.co.nz';
'9(2)(a)@orcon.net.nz'; '9(2)(a)@dpmc.govt.nz';
'9(2)(a)@med.govt.nz'; Bryan Dunne; '9(2)(a)@treasury.govt.nz';
'9(2)(a)@treasury.govt.nz'; '9(2)(a)@rbnz.govt.nz';
'9(2)(a)@treasury.govt.nz'
Subject: Ministerial Weekly Report Attached
Attachments: Ministerial Weekly Report 10 3 11 (PDF).pdf

Apologies for the delay this week

9(2)(a)
Advisor
Earthquake Commission



EARTHQUAKE COMMISSION
KŌMIHANA RŪWHENUA

Ministerial Weekly Progress Report

TO: Minister in Charge of the Earthquake Commission
Minister for Canterbury Earthquake Recovery

FROM: Chief Executive of the Earthquake Commission

DATE: 10 March 2011

SUBJECT: Earthquake Commission Response to Canterbury Earthquake

1. SITUATION AT A GLANCE

1.1 State of Play for All Events (as at 10 March 2011)

DATE OF EARTHQUAKE	CLAIMS DEADLINE	NO. OF CLAIMS
22-Feb-11	23-May-11	58,015
4-Feb-11	4-May-11	378
20-Jan-11	20-Apr-11	2,782
26-Dec-10	28-Mar-11	17,961
14-Nov-10	Passed	2,140
19-Oct-10	Passed	3,167
4-Sep-11	Passed	156,934
		241,377

N.B.: Any fluctuations in 4-Sep-10, 19-Oct-10 and 14-Nov-10 claims data results from claims being assigned to the correct event.

TOTAL EXPENDITURE ON ALL EVENTS	\$785M
--	---------------

BUILDING & LAND CLAIMS	CLAIMS LODGED	CLAIMS OPEN ¹	CLAIMS ASSESSED ²	CLAIMS CLOSED ³
<\$10K	159,231	140,774	66,613	18,456
\$10K-\$100K	39,920	38,896	28,189	1,024
\$100K+	5,408	5,187	5,314	218
Land	46,612	43,818	18,294	2,793

¹Open = lodged and being processed.

²Assessed = inspected and loss calculated.

³Closed = settled (payment made or declined).

1.2 Claims for 22 February 2011 Earthquake only (as at 10 March 2011)

CLAIMS DATA	
Claims received to date	58,015
Emergency repair claims	16,539
Not Weatherproof only	3,858
Uninhabitable only	4,535
Not Weatherproof & Uninhabitable	8,146

1.3 Operational Summary

- EQC are prioritising requests for emergency repairs for properties that are not weathertight or habitable; have winter heating issues; or whose residents are vulnerable. The Fletcher Construction PMO will carry out the majority of repairs with the remainder managed by individual claimants.
- EQC launched its new assessment process on Friday 11 March. The new approach will start with a rapid assessment of all residential properties in metropolitan Christchurch, Lyttelton, and affected parts of Selwyn and Waimakariri over the next eight weeks. The assessment will prioritise needs and repairs and give residents the timeframe for when EQC will be coming back for a full assessment.

2. GOVERNMENT PRIORITY AREAS

2.1 Emergency Repair Programme

EMERGENCY REPAIRS	THIS WEEK	LAST WEEK
Jobs completed	521	N/A
Jobs in progress	581	N/A
Jobs pending	151	N/A

Source: Fletcher Construction PMO (as at 4-Mar-11).

2.2 Winter Heating Programme and Chimney Replacement Programme Update

This work has become even more urgent since the 22 February event.

Chimney Replacement Programme

- Following the September earthquake, EQC and EECA entered into an arrangement to offer people whose chimneys were damaged the choice to replace their old log burners or open fires with a new, clean efficient heating system as part of their claim. EECA was the agency responsible for installing the heating devices.
- Prior to 22 February earthquake, data provided by EECA (table below) shows the claims referred to EECA by EQC, the numbers processed by EECA and installation progress. **N.B.** this is the most recent data provided to EQC.

EECA ACTIVITY	22-FEB-11
Chimney claims referred to EECA by EQC	4,500
Chimney claims processed by EECA for the Chimney Replacement Programme	2,731
Jobs awaiting allocation	263
Jobs allocated	890
Jobs completed	151
Jobs pending further information	105

Source: EECA (as at 22-Feb-11)

- EECA has indicated 50-100 installations are now being achieved each day, although updated figures have yet to be provided to EQC.
- At 22 February, EQC had assessed 32,000 properties indicating chimney damage. These figures were higher than original estimates. EECA considered that the most effective way to address heating demand was to transfer the programme to the Fletcher Construction PMO to manage.
- EECA indicate that the full transfer is expected to occur by 1 April 2011. This date is dependent on approvals between EQC, EECA and Fletcher Construction PMO.
- A meeting is to be held on 15 March between these parties, after which there should be a good understanding of the risks in meeting the 1 April target.

Winter Heating Programme

- The key priority is ensuring adequate heating is available for residents as winter approaches, the demand for which has increased substantially following the February earthquake.
- To achieve this, the Winter Heating Programme was implemented by EQC, EECA and Fletcher Construction from 3 March to get heating into the homes that need it most before

winter (nominally 1 May 2011). This programme takes priority over the “Chimney Replacement Programme” discussed above.

- Priority is being assigned to those homes with occupants who are sick, elderly or who have young children, or houses with no other heating source.
- Fletcher Construction PMO is responsible for installing heating devices and has established a specialist Chimney Replacement hub to implement the Winter Heating Programme.
- Fletcher Construction PMO has entered into arrangements with three heat pump suppliers and others are expected to sign up shortly.
- EQC estimate a total of 9,000-10,000 claims would now be priority cases based on 4 September earthquake claim volumes, although revision is likely as claims more claims are received.
- Installation is proceeding at approximately 50-100 per day. This was expected by EECA to get up to approximately 140 when the scheme is operating at its full potential, suggesting late May/June before all priority cases can be dealt with.
- A barrier and on-going risk has been the absence of residents – in some regions contact has been possible with only 25% of affected households.
- On the other side, a number of priority households have subsequently indicated they have alternative heat sources available, perhaps indicating scope for some further prioritisation.
- For efficiency reasons, residents are being allocated to heat pump suppliers (the products are largely equivalent) rather than being given a choice. If they insist on a choice, it will take longer for them to receive their replacement heating.

Comment

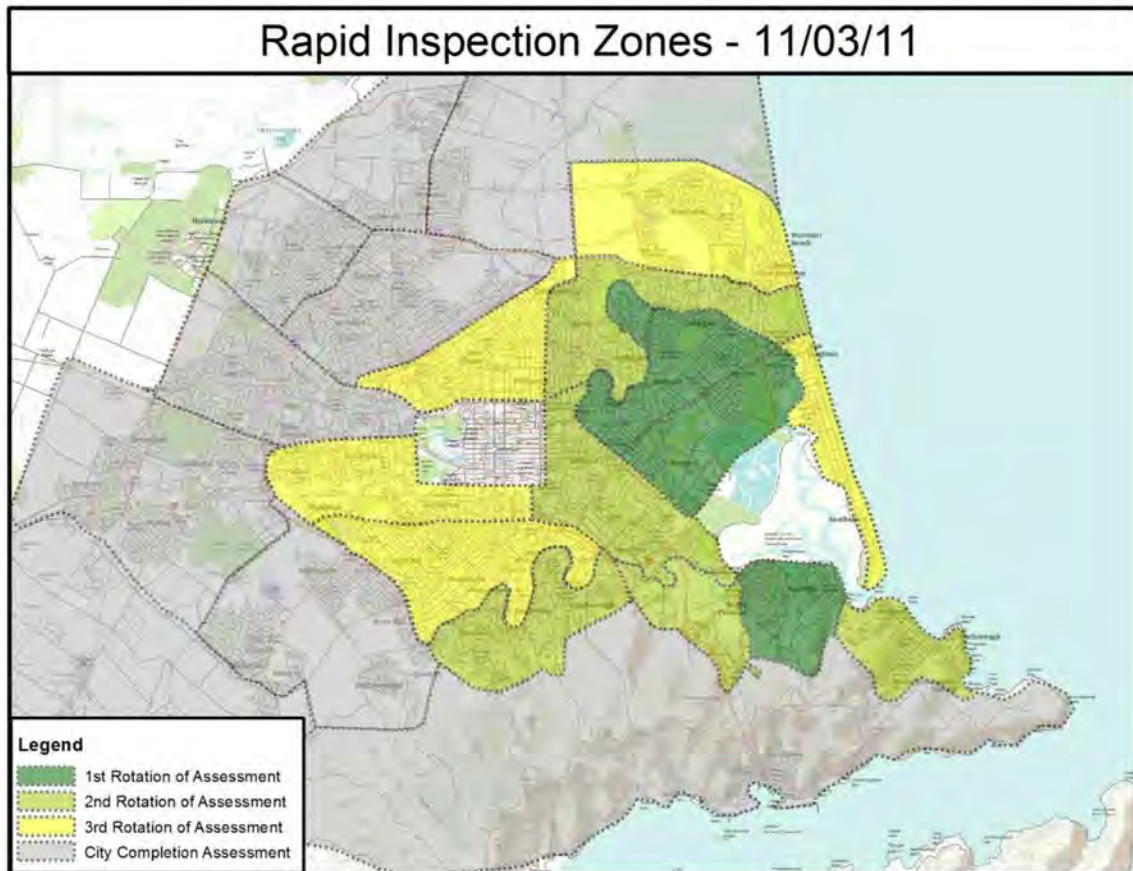
- A joint EQC/EECA paper will be prepared shortly for Ministers outlining how the winter heating programme is operating and, if necessary, seeking powers and funding for the EQC to run the programme as efficiently as possible.

3. EQC CLAIMS PROCESSING

3.1 “Operation Rapid”

- EQC started a new assessment approach on 11 March to give Christchurch homeowners more certainty about the status of their homes post the 22 February 2011 earthquake: “Operation Rapid”. The new approach comes from the lessons learnt following the 4 September 2010 earthquake.
- EQC rapid assessment teams will visit all homes in metropolitan Christchurch, Lyttelton, Selwyn, and Waimakariri over a period of next eight weeks, identifying properties in need of emergency repairs and prioritising properties for a full assessment at a later date.
- Assessors will complete a notice of assessment indicating whether the property needs emergency repairs and its priority for a full assessment. The notice will be given to the resident or left at the residence if no one is at home.
- When deciding whether a property needs emergency repairs, assessors will be looking at whether it is weatherproof, uninhabitable but easy to make inhabitable, has heating issues, or has vulnerable residents (such as elderly, young, or those with health issues).
- The objectives for Operation Rapid are twofold:
 - Identify properties in need of urgent repairs to make them weatherproof and habitable.

- Prioritise the properties to be revisited for a full assessment.
- Full reassessments will be prioritised as follows:
 - Houses with severe structural damage will be revisited for a full assessment within four months. Those needing repairs of more than \$100,000 will then be passed on to the insurer for follow-up.
 - Houses with minor structural damage will be revisited for a full assessment within four to six months.
 - Houses with no structural damage will be revisited for a full assessment within six to nine months.



Source: Eagle Technology/GIS

- **Key facts:**
 - EQC will be deploying assessors in increasing numbers in coming weeks to conduct the rapid assessments: 160 assessors from today, increasing to 320 next week, and rising to 500 the following week.
 - From Friday 11 March, rapid assessment teams will be visiting Avondale, Wainoni, Bexley, Aranui, Avonside, Bromley, North Linwood, Mt Pleasant, and Redcliffs.
 - From Monday 14 March rapid assessment teams will be visiting Westhaven, Shirley, New Brighton, Dallington, Woolston, Richmond, Phillipstown, Linwood and Ferrymead.

EQC will be publicising on its website www.eqc.govt.nz detailing where rapid assessment teams are operating. More frequent updates will be posted on EQC's Facebook and Twitter pages.

New risk: There are a number of physical constraints (office space, accommodation, transport etc.) that may impact on the eight-week target.

3.2 Unpaid Contractors

- There has been recent media coverage about contractors either not being paid by EQC or being paid late.
- There are currently 475 unpaid invoices and none are more than a week old. On February 22, it was found that there were 205 invoices in the system at that time and the oldest dated invoice was 16 February 2011. At 22 February the turnaround for payments was two weeks within receipt of the invoice.

New risk: Increased volumes arising from the 22 February earthquake have the potential to affect payment turnaround. We will be monitoring payment processing to ensure payment delays are minimized to the extent practicable.

4. FLETCHER CONSTRUCTION PMO ACTIVITY

4.1 PMO Hub Roll-Out

State of play:

- Hubs continue to focus on emergency response to make properties habitable.
- The core work programme in the north and west of Christchurch City and in Waimakariri will continue as before.
- The hub roll-out is on-track to have 18 hubs operational by May, with full productivity of 1,900 home repairs completion per month by September.
- The hub roll-out is being accelerated in the worst affected areas.

HUB LOCATION	CLAIMS IN HUB		IN PROGRESS		COMPLETED		REPAIR COSTS	
	This week	Last week	This week	Last week	This week	Last week	Feb-11 \$M	To date \$M
Selwyn								
Selwyn Central	871	854	426	212	39	30	1.1	1.7
Malvern / Ellesmere / Springs	114	110	18	0	0	0		
Waimakariri								
Kaiapoi	524	514	371	337	23	16	1.5	3.1
Rangiora	646	557	264	193	7	0	2.2	2.2
Christchurch								
Riccarton Wigram (Halswell)	820	744	610	533	22	22	2.0	2.3
Fendalton Waimairi	1508	1427	236	225	3	3	2.0	2.7
Spreydon	757	544	93	77	0	0	0.9	0.9
Heathcote								
Hagley Ferrymead	420	304	78	78	2	0	0.8	0.8
Banks Peninsula	151	145	36	0	0	0		
Quick Response	344	322	110	116	209	116	0.2	0.3
Total	6,155	5,521	2,242	1,771	305	187	10.7	14.0

Source: Fletcher Construction PMO (as at 4-Mar-11)

4.2 PMO Workforce

RESOURCES	THIS WEEK	LAST WEEK
EQR/PMO staff	185	153
Contractors		
Registered	794	769
Accredited	254	192
Contractor FTE estimate	1,270	640

Source: Fletcher Construction PMO (as at 4-Mar-11)

New Risk: It is likely that as a result of the 22 February event, the complexity and average value of repairs has increased. This may have an impact on contractor and trades requirements and, therefore, on temporary accommodation requirements.

5. ADDITIONAL LAND REMEDIATION WORKS PROGRAMME

- Initial advice provided by EQC's geotechnical engineers (Tonkin & Taylor) is that:
 - The land damage is more extensive and broader than the 4 September quake.
 - More new areas of lateral spreading have been observed.
 - The building damage is significantly higher.
 - Extensive shaking and landslide damage has occurred in the Port Hills.
- Tonkin & Taylor's initial inspection of AMI stadium also indicated the ground treated with stone columns as intended for Spencerville appears to have performed as designed with no liquefaction and no to minor settlement. EQC understands that Tonkin & Taylor have provided a report to the stadium owners.

5.1 Programme for Detailed Damage Assessment

- A draft work programme is being prepared by Tonkin & Taylor for EQC to analyse land damage in the Canterbury region arising from the 22 February earthquake.
- The programme will include lessons learned from the 4 September 2011 response.
- Tonkin & Taylor are currently gathering data to develop a clear understanding of the nature of the land damage and to support development of appropriate response options.
- Tonkin & Taylor analysis will be based on data gathered from the following activities:
 - Aerial mapping of the affected areas.
 - LiDAR mapping (to determine areas of lifting and slumping) by air. Mapping flights will be completed by the end of this week, with the data analysis continuing in the following two weeks.
 - The LiDAR maps will then be analysed and compared with those developed on the 6th September 2010.
 - Information from Christchurch City Council flood maps and its updated flood models will also be integrated into the analysis to determine changes in flood risk for affected areas.
- Tonkin & Taylor have said the analysis is expected to be completed by mid-April 2011.

5.2 Additional Land Remediation Works Programme

Key issues that will continue to impact on the additional land remediation works programme progress/milestones which need to be monitored over time are:

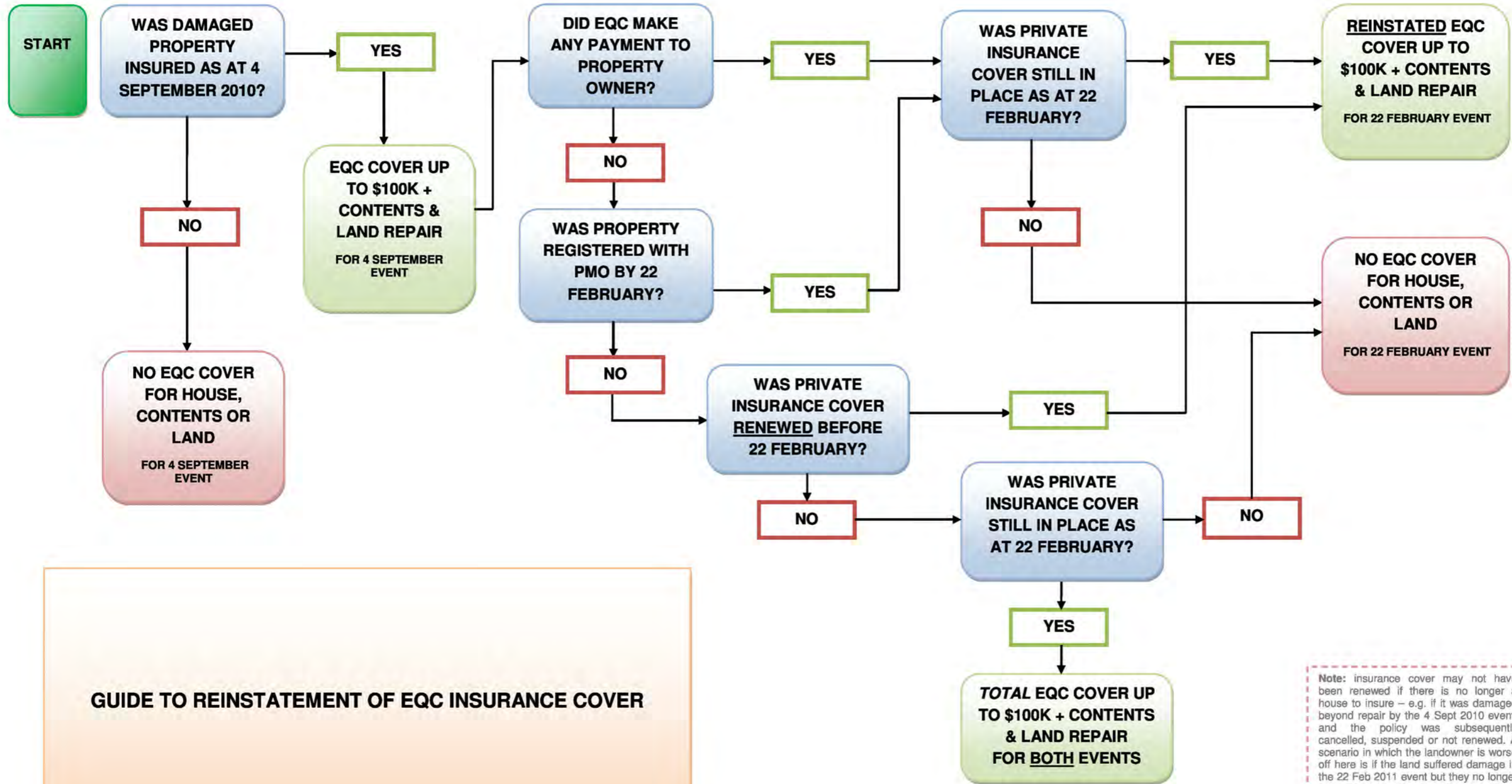
- Fitting works within the fiscal cap.
- Consenting process (whether these are notifiable or not) and the nature of any consent conditions.
- Contestable procurement processes for completion of works.
- Private insurer decisions concerning demolition and rebuilding works.

WORKSTREAM	CCC	WDC	COMMENT
Spencerville	N/A	●	<ul style="list-style-type: none"> • Contract awarded for the proposed stone column repair work. • The contractor has recommenced work on the site. • Some plant is still located in the Christchurch CBD. In addition, restrictions at Lyttelton Port means that machinery arriving from overseas will now be unloaded at Auckland on 6 April. • Critical path is dependent on private insurers' decisions concerning demolition and rebuild.
Early works	●	●	<ul style="list-style-type: none"> • Waimakariri only received relatively minor liquefaction from the 22 February event. • Waimakariri District Council wishes to proceed with planned works. • The proposed land remediation programme is still considered the most appropriate response in Waimakariri. • The Council will publically announce its suburb rebuilding programme on 22 March 2011 • Critical path is dependent on private insurers' decisions concerning demolition and rebuild.
MoUs	●	●	<ul style="list-style-type: none"> • Currently working through indemnity issue with WDC. • Expected to be signed next week. • The MoU negotiations with Christchurch City Council have been set aside until the additional land remediation solution for East Christchurch is understood and agreement has been reached about how this should be delivered
Concept Design Report	●	●	<ul style="list-style-type: none"> • Work on the Christchurch report has been put on hold. • A scaled down report is being prepared for Kaiapoi (north and south bank), which is on target for issue to Treasury 31 March 2011.

New Risk: Spencerville – The contractor 9(2)(a) had already advised EQC of a shipping delay to the delivery of the Stone Column Probe (noted in the Weekly Report for the week ending 17 February 2011). Restrictions at Lyttelton port mean that the Probe will now be unloaded at Auckland on 6 April 2011.

4 SEPTEMBER 2010 EVENT

22 FEBRUARY 2011 EVENT



GUIDE TO REINSTATEMENT OF EQC INSURANCE COVER

Note: property owners in this category are no worse off: they will receive the full insured value of house and contents (through combined EQC and private insurance cover) irrespective of the event in which any damage occurred.

Note: insurance cover may not have been renewed if there is no longer a house to insure – e.g. if it was damaged beyond repair by the 4 Sept 2010 event, and the policy was subsequently cancelled, suspended or not renewed. A scenario in which the landowner is worse off here is if the land suffered damage in the 22 Feb 2011 event but they no longer have EQC cover for land (because there is no underlying insurance policy).
It is also possible that insurance cover may have been suspended, withdrawn, or has lapsed if the house was unoccupied for a period of time (usually 60 or 90 days) and the insurer was not notified. (However, anecdotally we understand that insurance companies have been quite lenient in these situations).

[ON EQC LETTERHEAD]

11 March 2011

Hon. Bill English
Minister of Finance
Parliament Buildings
WELLINGTON

Hon. Gerry Brownlee
Minister for Canterbury Earthquake Recovery
Parliament Buildings
WELLINGTON

Dear Ministers

AIDE-MEMOIRE: REINSTATEMENT OF EQC INSURANCE COVER

On Friday 25 February 2011 EQC provided your offices with a report on the reinstatement of EQC cover for claimants and insurance arrangements for PMO activity. Accompanying the report were a 'question and answer' document and a copy of a memorandum summarising the insurance arrangements EQC had put in place for the PMO project.

This aide-memoire and the accompanying flow chart are intended as a quick reference aid to help with media or industry enquiries about the reinstatement of EQC's insurance for claimants.

In summary:

- People only have EQC cover if they have house and/or contents insurance with a fire component. In 'normal' times most people do have this type of insurance.
- Because there have been two events, broadly in the same location and quite close to each other in terms of time, there are going to be some situations that might mean some people are now uninsured (or partly uninsured) for the second (22 February 2011) earthquake.
- EQC has taken advice on what our legal position is in these types of situations, and we've adopted a fair position that aligns with that advice.
- In general, if private insurers are offering or maintaining cover, then EQC will offer its cover as well.
- The main rule of thumb is that EQC cover continues for as long as that fire insurance policy is in force or until EQC cancels its cover (which EQC can do in certain circumstances).
- However, the limits or caps on the amount of EQC insurance available (\$100,000 + GST for house, \$20,000 + GST for contents) do not necessarily apply per earthquake. The caps represent the aggregate amount of EQC cover available during the period that the fire insurance policy is in force, unless:
 - the underlying fire insurance policy is renewed; or,
 - EQC makes a payment (including registering the property with the PMO).
- If either of those things occurs then the caps are 'reinstated' and property owners can claim the 'maximum' again for a different event.

- If neither of those things occurs then, provided fire insurance is still in place for the property, people can claim again, but EQC will only pay out a maximum of \$100,000 + GST (or \$20,000 + GST for contents) for the damage caused by both events combined.
- It is important to remember that the claimant has EQC cover because they have other insurance. So whether the EQC cap has 'reinstated' is generally an issue between EQC and their insurer – not between EQC and the claimant. Claimants whose EQC cap has not been reinstated are generally no worse off: they will receive the full insured value of house and contents (through combined EQC and private insurance cover) irrespective of the event in which any damage occurred.
- The attached flow chart is intended to aid understanding of the reinstatement process.

Bryan Dunne
For Chief Executive

9(2)(a)

From: 9(2)(a)
Sent: Friday, 11 March 2011 6:57 p.m.
To: 9(2)(a); 9(2)(a)@ssc.govt.nz; 9(2)(a)@treasury.govt.nz;
9(2)(a)@nzta.govt.nz; 9(2)(a)@linz.govt.nz; 9(2)(a)@parliament.govt.nz
Cc: 9(2)(a)
Subject: RE: EQC communications update

EQC communications update, Friday 11 March

As you will have seen, the EQC's Rapid Assessment Programme for Christchurch properties was launched in Christchurch today by the CEO and the Minister.

A suite of supporting collateral has been prepared for launch from this week. This is made up of

A flier for Christchurch distribution

Print advertising for ChCh media

Radio advertising for ChCh media

A comprehensive public FAQ sheet for distribution to stakeholders

Have a good weekend

9(2)(a)

9(2)(a)
Acting Manager Public Affairs (Christchurch earthquake)
The Earthquake Commission
Wellington
New Zealand

Tel: 9(2)(a)
Email: 9(2)(a)@eqc.govt.nz

From: 9(2)(a)
Sent: Thursday, 10 March 2011 9:42 p.m.
To: 9(2)(a); 9(2)(a)@ssc.govt.nz; 9(2)(a)@treasury.govt.nz; 9(2)(a)
9(2)(a)@linz.govt.nz; 9(2)(a)@parliament.govt.nz
Cc: 9(2)(a)
Subject: RE: EQC communications update

Hello all

EQC communications update Thursday 10 March

The CEO, accompanied by the Minister, will announce EQC's Rapid Assessment Plan in Christchurch at 11.15am tomorrow, Friday.

We had extra resources in from our consultancy, the Ideas Shop, to prepare material for the announcement.

We have engaged an additional communications contractor in Christchurch who we will take on from Monday, initially for a period of a month.

9(2)(a)

9(2)(a)

From: Bryan Dunne
Sent: Sunday, 13 March 2011 1:58 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: FW: Draft Agreement for the Transfer
Attachments: Amended Agreement 100311.docx

FYI and comment – I haven't read it yet but expect that this will be basis for EECA's position on Tuesday

From: 9(2)(a) [mailto:9(2)(a)@adexec.co.nz]
Sent: Sunday, 13 March 2011 12:43 p.m.
To: 9(2)(a); 9(2)(a); 9(2)(a); Bryan Dunne
Subject: Draft Agreement for the Transfer

Hi All

The attached is some work I've done around an agreement to effect the transfer of the CRP. It covers the points that we have discussed and its purpose is purely to provide us with a starting paper for our discussion in ChCh on the 15th.

I have constructed the document on the basis that we are effectively using a 'buy-out' methodology and have assumed that the CRP would continue under its own rules although it is all coming under one PMO. The logic is to preserve in a transparent way the ability to be able to follow an 'overs and unders' approach to chimneys and clean heat options. This will be necessary not only for the current programme (of chimneys and minor repairs) but also for when chimney work is part of a major structural rebuild and also for the WHP where the chimney work (that generates the 'overs and unders' funding) is separated from the installation of the heat source in advance of the repair work. With the current estimate of chimney work, these sums could be significant and it is in the interests of all parties that they are tracked to avoid a messy debate in the future about funding.

I have also made reference to the potential for an ongoing role for EECA in promoting the options to householders and also to whether EECA's ongoing programmes covering the range of insulation options could also be used as a vehicle (either through funding and/or undertaking the work) to maximise the benefits through this 'opportunity'.

If either EECA or EQC wish to make amendments to the attached I could incorporate them into a new draft and with your permission, submit it to the other parties to Tuesday's meeting so that they have an opportunity to consider the options in advance.

EECA is focused on maintaining the momentum, including the WHP, and wishes to reach an agreement that results in the least disruption to all parties and stakeholders whilst also ensuring that it can recover its PMO establishment costs. It is also important that we clearly communicate the benefits to homeowners through establishing a single PMO and to also give a good sense of the work building up in the pipeline that will result in a major ramping up of completed jobs over the next couple of months.

9(2)(a)
Ph: 9(2)(a)

Amended Agreement

Canterbury Earthquake

1. Canterbury suffered a serious earthquake on Saturday, 4 September 2010 leading to widespread damage. This damage was added to significantly as a result of a major aftershock on Tuesday, 22 February 2011.
2. Canterbury houses suffered damage ranging from destruction requiring demolition and rebuilding to minor damage. Minor damage includes damage to chimneys with varying degrees of impact on the house structure

Agreement between EECA and EQC dated 20th December 2010

3. In most cases, it is cheaper to decommission or remove a damaged chimney and install an efficient heater than it is to repair/rebuild a damaged chimney (especially in brick). Given that a significant amount of houses in Canterbury have chimney damage, the Government believed that there was an opportunity to work with EQC on chimney repair, while also providing clean, efficient heating options for house owners.
4. Resulting from a proposal from the Minister of Energy, EECA and EQC entered into an agreement dated 20 December 2010 whereby:
 - (a) EECA decommissions/removes the chimney on EQC's behalf; and
 - (b) EECA on its own behalf installs a clean heating device
5. In addition to the chimney decommissioning/removal, EECA is also empowered to undertake any other reinstatement work within the scope of work EQC refers to EECA with the claim.
6. The agreement also provided for the parties to discuss and consider the basis on which the Chimney Replacement Programme could be extended to claims being project managed by The Fletcher Construction Company Limited on EQC's behalf.

Background to Transferring the Chimney Replacement Programme to Fletchers

7. Fletcher Construction has been gearing up to tackle the 177,000 claims lodged prior to the 22 February aftershock and during this time a close relationship has developed between EECA, Fletchers and EQC. During this time it has become clear that the most effective way to address the heating demand was to transfer EECA's Chimney Replacement Programme to the Fletchers.
8. The drivers for this transfer are:
 - a. The number of claimants with chimney damage is significantly greater than the original estimates and is expected to increase further following the 22 February earthquake
 - b. Many of the claimants with chimney damage had serious other damage to their homes that put them beyond the scope of the original EECA scheme.
 - c. The priority targeting for these claimants with special needs requires a two stage process with the first stage simply being the installation of the heating device with a return at a later stage to complete the necessary house repair work.
 - d. There is confusion amongst claimants as to the various roles of EQC, EECA, and Fletcher Construction.

Proposal to Transfer of EECA's Chimney Replacement Programme to Fletchers

9. The proposal is to transfer the entire EECA Chimney Replacement Programme, including the Winter Heat Programme to Fletcher Construction with the target date being 1 April 2011.
10. The objective is to achieve the transfer in the least disruptive way to claimants, staff and contractors and with the simplest financial arrangement. The following components are proposed;
 - a. All staff, whether permanent or on contract, currently employed by EECA on the Chimney Replacement Programme and Winter Heat Programme will be offered the same positions by Fletcher Construction on Fletchers standard terms and conditions for the equivalent role. EECA and Fletchers will work together in good faith to resolve any issues that may arise in this process.
 - b. All contracts, other than contracts of employment, that have been issued in EECA's name and are outstanding or uncompleted on 31 March 2011 will transfer to Fletcher Construction. Fletcher may negotiate to have some or all of these contracts completed under their own standard terms and conditions.
 - c. All contractors that have been engaged to be EECA contractors shall be given the opportunity to become contractors of Fletcher Construction but must meet Fletcher's standards and terms and conditions.
 - d. EECA shall transfer all of the records and systems it has established and used to run the business of the Chimney Replacement Programme and Winter Heat Programme to Fletcher Construction and any other information that Fletcher Construction believes is necessary for the smooth transfer shall not be unreasonably withheld by EECA.
 - e. Effective 31 March 2011 EECA shall bring to account all of its costs and revenues incurred on an accrual basis through operating its Chimney Replacement Programme and Winter Heat Programme. Fletcher Construction shall settle the net of costs and revenues with EECA in consideration of EECA foregoing the opportunity to recover its Programme establishment costs through the premature termination of its agreement with EQC.
 - f. Effective 1 April 2011 Fletcher Construction shall invoice EQC with equivalent sum (in 10 e. above) in full settlement of the Programmes to that date. This figure will include recovering the assessed value of jobs completed by EECA's contractors but not yet billed to EQC. This will ensure that the accumulative net position with regard to the application of funds in accordance with clause 4 of this agreement is passed to Fletcher Construction.
 - g. EECA will forego any fees from EQC referred to in clause 28.2 in the agreement between EECA and EQC dated 20 December 2010, on unbilled work that is to be transferred to Fletcher Construction.
 - h. Fletcher Construction shall enter into an agreement with EQC with regard to any fees it may recover on the net cost charged to EQC under clause 10 f. above

Ongoing EECA Role

11. From the transfer date the agreement dated 20 December 2010 between EECA and EQC will be null and void and EECA will cease to be EQC's delivery agent.
12. EECA will continue to set the standard for the equipment and installations to ensure national consistency and continue to receive monthly statistical information on installation numbers and types;
13. EECA would continue to have a role in the promotion of clean heat into Canterbury and will work with EQC and Fletcher Construction if there was seen to be a need for EECA to apply some of its other programmes with respect to achieving wider insulation outcomes.
14. EECA is working with Fletcher Construction to accelerate the Winter Heat Programme and this work will continue through to the transfer date.

Chimney Replacement Programme Eligibility Parameters

15. The arrangement set out in this agreement only apply to claims where the only structural damage is to, or relating to, chimneys and other minor non-structural damage. Properties with additional structural damage will be managed by Fletcher Constructions existing agreement with EQC (**Reference??**)
16. EQC will determine which homeowners are eligible for participation in the Chimney Replacement Programme (CRP) having regard to clause 15 above and the eligibility parameters set out in Part A of the Schedule. EQC has no obligation, however, to refer any homeowner to Fletcher Construction.
17. **Add in clauses 13 to 19 and 21 to 57 of the original letter (20 December) amended to reflect the transfer from EECA to Fletchers.**
- 18.

9(2)(a)

From: Bryan Dunne
Sent: Monday, 14 March 2011 7:17 p.m.
To: Ashley Owers (9(2)(a)@treasury.govt.nz)
Subject: can i get a job description for a research analyst/ministerials etc

Just so we can calibrate contracts etc here and give exec an indication of skills sets, tasks etc
thanks

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)

Tel: 9(2)(a) | bryandunne@eqc.govt.nz

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9(2)(a)

From: [redacted]
Sent: Tuesday, 15 March 2011 8:26 a.m.
To: 9(2)(a)@parliament.govt.nz; 9(2)(a)@treasury.govt.nz
Subject: Comms people

Hi 9(2)(a)

To fill the comms gap in Christchurch and get things there onto a more even keel I have taken on 9(2)(a) on a 1-month contract primarily to put in place a Christchurch comms plan and ensure we are engaging with stakeholders down there as professionally and effectively as possible. Since the February earthquake 9(2)(a) has been doing work for the Fire Service. I know there have been questions around 9(2)(a) but he'll fill a gap for now. After putting out a call far and wide for comms people in Christchurch, there were few people not already taken.

I am seeking a longer term person in ChCh and making some changes to the team here – though in both ChCh and Wellington the earthquake has tied up a lot of the communications contracting market.

9(2)(a)

**Acting Manager Public Affairs (Christchurch earthquake)
The Earthquake Commission
Wellington
New Zealand**

Tel. 9(2)(a)
Email: 9(2)(a)@eqc.govt.nz

9(2)(a)

From: 9(2)(a)
Sent: Wednesday, 16 March 2011 5:11 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: Your message for Ian Simpson

Hi Andrew

I am looking after Ian's cellphone while he is away and I'm afraid I'm still learning to drive it! While I forwarded your two text messages on to him, I didn't realise there was a voice message as well until a few minutes ago. I have now forwarded it on but I'm sorry I've missed your deadline for a meeting with Minister.

Apologies and regards

9(2)(a)

Executive Secretary | Earthquake Commission (EQC)
Majestic Centre | 100 Willis Street | P.O. Box 790 | Wellington
Phone: 9(2)(a) : 9(2)(a)@eqc.govt.nz

9(2)(a)

From: Bryan Dunne
Sent: Wednesday, 16 March 2011 5:08 p.m.
To: Jess Wayte (9(2)(a)@treasury.govt.nz)
Subject: FW: Meeting with IMF panel

Jess

Looks like Keith can't make it until midday. Any chance of either 1) starting the meeting at midday or 2) starting closer to midday – say 11:30 or 11:45??

Cheers
Bryan

From: Bryan Dunne
Sent: Wednesday, 16 March 2011 1:45 p.m.
To: 'Jess Wayte'
Subject: RE: Meeting with IMF panel

Try 9(2)(a)@xtra.co.nz

From: Jess Wayte [mailto:9(2)(a)@treasury.govt.nz]
Sent: Wednesday, 16 March 2011 1:43 p.m.
To: Bryan Dunne
Subject: RE: Meeting with IMF panel

Perfect! They will meet you at your offices then. I just need to tell them to go to level 20 of the Majestic Centre? Is it best if they enter from Willis St?

Thanks
Jess

Jess Wayte | Personal Assistant | The Treasury

Tel: 9(2)(a) 9(2)(a)@treasury.govt.nz

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From: Bryan Dunne [mailto:BryanDunne@eqc.govt.nz]
Sent: Wednesday, 16 March 2011 1:34 p.m.
To: Jess Wayte
Subject: RE: Meeting with IMF panel

We are in the Majestic Centre (level 20) which is (conveniently) on Boulcott St – they would be very welcome to visit our offices

If not, happy to come to Treasury

From: Jess Wayte [mailto:9(2)(a)@treasury.govt.nz]
Sent: Wednesday, 16 March 2011 1:24 p.m.

To: Bryan Dunne
Subject: RE: Meeting with IMF panel

Hmmm. I tried putting a '.' between Keith and Taylor. It hasn't bounced back yet! Let me know if you confirm his email address though and I will re-send the meeting invite to him.

Also, are you happy to meet the IMF here at the Treasury building? If not they may be able to come to you. They are going to a lunch following this meeting on Boulcott St, so anywhere near there would be preferable if meeting outside Treasury.

Thanks
Jess

Jess Wayte | Personal Assistant | The Treasury
Tel: 9(2)(a) | 9(2)(a)@treasury.govt.nz

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From: Bryan Dunne [mailto:BryanDunne@eqc.govt.nz]
Sent: Wednesday, 16 March 2011 1:19 p.m.
To: Jess Wayte
Subject: RE: Meeting with IMF panel

Bounced for me as well....

From: Jess Wayte [mailto:9(2)(a)@treasury.govt.nz]
Sent: Wednesday, 16 March 2011 1:13 p.m.
To: Bryan Dunne
Subject: RE: Meeting with IMF panel

Hi Bryan
Is the email address for Keith Taylor correct? The email I just sent bounced back from him.

Thanks
Jess

Jess Wayte | Personal Assistant | The Treasury
Tel: +64 9(2)(a) | 9(2)(a)@treasury.govt.nz

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From: Bryan Dunne [mailto:BryanDunne@eqc.govt.nz]
Sent: Wednesday, 16 March 2011 12:53 p.m.
To: Jess Wayte
Cc: Phillip Jacques; Keith Taylor
Subject: RE: Meeting with IMF panel

Hi Jess

Confirming 11.15am to 12.30pm on Friday 18 March. Attending from EQC will be Keith Taylor (Deputy-Chair), Phillip Jacques (CFO) and myself.

Thanks
Bryan

From: Jess Wayte [mailto:[9\(2\)\(a\)@treasury.govt.nz](mailto:9(2)(a)@treasury.govt.nz)]
Sent: Tuesday, 15 March 2011 10:27 a.m.
To: Bryan Dunne
Subject: FW: Meeting with IMF panel

Hi Bryan,
Just wondering if you were still happy to meet the IMF? Was the time mentioned below suitable for you?

Many thanks,
Jess

Jess Wayte | Personal Assistant | The Treasury
Tel: [9\(2\)\(a\)](tel:9(2)(a)) | [9\(2\)\(a\)@treasury.govt.nz](mailto:9(2)(a)@treasury.govt.nz)

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From: Jess Wayte
Sent: Monday, 14 March 2011 1:25 p.m.
To: 'Bryan Dunne'
Cc: Juston Anderson
Subject: RE: Meeting with IMF panel

Hi Bryan,
Thanks for getting back to me so quickly.

I think the IMF would like to understand the basics of what EQC covers (for example, we've heard differing views so far on whether land is covered or not), how many claims they've received, the process for rebuilding the fund, etc. It will all be with a view to helping the IMF understand how the earthquake impacts on the economy.

The panel would be available to meet from 11.15am to 12.30pm on Friday 18 March if that suits you? If not, we may be able to organise a different time.

Kind regards
Jess

Jess Wayte | Personal Assistant | The Treasury
Tel: [9\(2\)\(a\)](tel:9(2)(a)) | [9\(2\)\(a\)@treasury.govt.nz](mailto:9(2)(a)@treasury.govt.nz)

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From: Bryan Dunne [mailto:BryanDunne@eqc.govt.nz]
Sent: Monday, 14 March 2011 12:09 p.m.
To: Jess Wayte
Cc: Juston Anderson
Subject: RE: Meeting with IMF panel

We'd certainly be very happy to help if we can. Can you let me know what time(s) are available later this week and possible areas of discussion/further info etc

Thanks
Bryan

Bryan Dunne | Strategy & Policy | **The Earthquake Commission (EQC)**

Tel: 9(2)(a) | bryandunne@eqc.govt.nz

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From: Jess Wayte [mailto:9(2)(a)@treasury.govt.nz]

Sent: Monday, 14 March 2011 11:52 a.m.

To: Bryan Dunne

Cc: Juston Anderson

Subject: Meeting with IMF panel

Hi Bryan,

I have been asked to contact you regarding a potential meeting here at the Treasury this week. We are hosting a visit from members of the IMF panel for the week and they have expressed an interest in meeting with the EQC if at all possible. Obviously we understand you are extremely busy at this time and it is a last-minute invitation, but it would be much appreciated if you did happen to have 30 minutes or an hour available to meet with them.

Let me know if you would like more information regarding this. They have a busy schedule lined up but would be happy to accommodate you, so let me know if this might be possible from your end.

Kind regards
Jess

Jess Wayte | Personal Assistant | **The Treasury**

Tel: 9(2)(a) | 9(2)(a)@treasury.govt.nz

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9(2)(a)

From: 9(2)(a)
Sent: Wednesday, 16 March 2011 12:54 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: FW: Information Request

Importance: High

Hi David

Some follow-up questions from Peter.

Do you have the CAB paper relating to the \$\$ questions? I can't remember the figure off the top of my head and is the EQC expenditure part of the MoUs?

Cheers

9(2)(a)

From: Peter Mellor [mailto:9(2)(a)@treasury.govt.nz]
Sent: Wednesday, 16 March 2011 12:17 p.m.
To: 9(2)(a)
Subject: RE: Information Request

9(2)(a)

One other thing... there is a question about the reason for remediating to Level 4 – why was L4 decided and what was the cost differential anticipated to be between what EQC would normally do to remediate the land and the L4. I understand that the differential is effectively \$140m to remediate to a higher level (as approved by Cabinet), but what would EQC have spent if it was only remediating to its legislative requirement. And, will that funding still be part of the 'MOU remediation'?

Make sense? Happy to have a chat if that is confusing...

And, the info you sent through so far looks good, cheers for that.

Cheers
Pete

Peter Mellor | Senior Advisor | **The Treasury**
Tel: +9(2)(a) | 9(2)(a)@treasury.govt.nz

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From: 9(2)(a) [mailto:9(2)(a)@eqc.govt.nz]
Sent: Wednesday, 16 March 2011 9:36 a.m.
To: Peter Mellor
Subject: RE: Information Request

Yes that's what I was thinking. I tried, but it was getting too fiddly so I just cheated and put it in a table

From: Peter Mellor [mailto:9(2)(a)@treasury.govt.nz]
Sent: Wednesday, 16 March 2011 9:33 a.m.
To: 9(2)(a)
Subject: RE: Information Request

Thats cool 9(2)(a) I'm not sure of the format that I'll send it –I thought maybe a flow diagram for the process...so there might be a bit of back and forth before its final.

Thanks a lot though, that will be very useful.

Pete

Peter Mellor | Senior Advisor | The Treasury

Tel: 9(2)(a) | 9(2)(a)@treasury.govt.nz

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From: 9(2)(a) [mailto:9(2)(a)@eqc.govt.nz]
Sent: Wednesday, 16 March 2011 9:07 a.m.
To: Peter Mellor
Subject: RE: Information Request

Apologies again Peter. I actually sent the draft last night at about 5 but I saw this morning that it was still held up in our system.

Bryan may have some amendments/comments but it was the best I could do at the time.

From: Peter Mellor [mailto:9(2)(a)@treasury.govt.nz]
Sent: Wednesday, 16 March 2011 9:03 a.m.
To: 9(2)(a)
Subject: RE: Information Request

Thanks 9(2)(a)

I will go through your responses and get back to you if I have any questions.

Cheers

Pete

Peter Mellor | Senior Advisor | The Treasury

Tel: 9(2)(a) | 9(2)(a)@treasury.govt.nz

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From: 9(2)(a) [mailto:9(2)(a)@eqc.govt.nz]
Sent: Wednesday, 16 March 2011 8:25 a.m.
To: Peter Mellor
Cc: Bryan Dunne
Subject: Information Request

Hi Peter

Bryan's asked me to look after your request. Apologies for not getting back sooner.

Attached is a draft reply. The land remediation stuff is pretty much squared away.

The info on the processes is the best I can do at this stage with the key person being down in Chch.

Hopefully this gets through as the email system is having maintenance done on it.

9(2)(a) [Redacted]
Advisor
Earthquake Commission

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9(2)(a)

From: 9(2)(a) [FCC-BldWL] <9(2)(a)@fcc.co.nz>
Sent: Wednesday, 16 March 2011 12:46 p.m.
To: 9(2)(a) [FCC-BldWL]; 9(2)(a); 9(2)(a); 9(2)(a) - EQR; 9(2)(a)@ Pro Directions; Bryan Dunne; 9(2)(a)@chapmantripp.com; 9(2)(a)@treasury.govt.nz; 9(2)(a)@adexec.co.nz; 9(2)(a)
Subject: RE: EECA / PMO / EQC meeting minutes
Attachments: EECA meeting.docx

Hi all

I sent this e mail this morning and it has bounced back from server people saying the size was to large, this was due to the photos of the white board.

Find attached the meeting minutes only

See the action points

9(2)(a)

Construction Manager Wellington | Building

The Fletcher Construction Company Ltd

236 Middleton Road, Johnsonville | P O Box 548, Wellington 6140

Ph: 9(2)(a)

Site Office: Building Auckland, Ground Floor, 816 Great South Road, Penrose | Private Bag 92060, Auckland 1142

PRIDE OF PLACE: www.fletcherconstruction.co.nz

Think GREEN before choosing to print this email

From: 9(2)(a) [FCC-BldWL]
Sent: Wednesday, 16 March 2011 8:50 a.m.
To: 9(2)(a); 9(2)(a); 9(2)(a) - EQR; 9(2)(a) (9(2)(a)@prodirections.com); Bryan Dunne; 9(2)(a)@chapmantripp.com; 9(2)(a); 9(2)(a)@treasury.govt.nz; 9(2)(a)@adexec.co.nz; 9(2)(a); Lance Dixon; Reid Stiven (EQC) (rstiven@xtra.co.nz)
Subject: EECA / PMO / EQC meeting minutes

Morning All

Find attached copy of meeting minutes from yesterdays EECA/PMO/EQC meeting.

Lance/Reid in your absence, 9(2)(a) nominated you guys for an action point??

Regards

9(2)(a)

Construction Manager Wellington | Building

The Fletcher Construction Company Ltd

236 Middleton Road, Johnsonville | P O Box 548, Wellington 6140

Ph: 9(2)(a) Email: 9(2)(a)@fcc.co.nz

Site Office: Building Auckland, Ground Floor, 816 Great South Road, Penrose | Private Bag 92060, Auckland 1142

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Confidential

Earthquake Recovery - Christchurch

EECA / PMO / EQC Clean Heat Meeting No 01 MEETING MINUTES

Held at the Command Centre 7 Deans Avenue, Christchurch – 10.00am Tue 15th March 2010

Present

9(2)(a)	Fletcher Construction (PMO)	Bryan Dunne	EQC / Govt
	Fletcher Construction (PMO)	9(2)(a)	EQC / Govt
	Fletcher Construction (PMO)		EQC / Chapman Tripp
	Fletcher Construction (PMO)		EECA
	EQC		EECA

Distribution: Above plus

9(2)(a)	Fletcher Construction (PMO)		
Lance Dixon	EQC		

Item	Issue	Action
1.0	PURPOSE	
1.1	The purpose of the meeting: To discuss how EQC, EECA & Fletchers (PMO) are to move forward, Contractually & Operationally on the Chimney Replacement Programme (CRP)	
2.0	ACTION POINTS	
2.1	Bryan Dunne <ul style="list-style-type: none"> Write a board paper (Item 3.13) 	This Fri 18/3
2.2	9(2)(a) <ul style="list-style-type: none"> Context & background document (Item 3.1 & 3.13) Overs & Unders funding analysis (Item 3.10) Installation rules (Item 3.11) 	This Fri 18/3 This Fri 18/3 This Fri 18/3
2.3	9(2)(a) <ul style="list-style-type: none"> Breakdown of EECA costs (Item 3.9) 	This Fri 18/3
2.4	9(2)(a) <ul style="list-style-type: none"> Detailed Transition plan (Item 3.7) 	End of March
2.5	Lance / Reid <ul style="list-style-type: none"> Claims numbers estimate & Value (3.12) 	This Fri 18/3
	9(2)(a) <ul style="list-style-type: none"> Set the next meeting 	This Fri 18/3
3.0	Notes	
3.1	There is a lot of Background & Context information and reasons why we are where we are. A Context & background document needs to be formulated for the boards	9(2)(a) 18/3
3.2	Define sensible future arrangement that both EECA & EQC boards agreement with	
3.3	Interim instructions from EQC to the PMO need to be written <ul style="list-style-type: none"> To carry out work as they are now How this will work in the future 	
3.4	Ministerial direction to EQC is required <ul style="list-style-type: none"> Take over Chimney Repair programme (CRP), Inc 4 fuels & WHP Cover over costs (if any) 	

	<ul style="list-style-type: none"> • Warm up New Zealand funding? 	
3.5	Develop new transition agreement or vary the MOU between EQC & EECA that covers <ul style="list-style-type: none"> • Setup costs, • Contract transfer, • Staffing • Funding • Etc 	
3.6	EQC needs to instruct Fletchers (PMO) on what to do	
3.7	A detailed transition management plan needs to be formulated, that includes <ul style="list-style-type: none"> • Costs • Claimants • Staff • Timing • Contracts 	9(2)(a) By 31/3
3.8	The present MOU between EQC & EECA has EECA being paid the assessed value (excl P&G costs) plus 10%. EECA takes the risks on the total cost of each claim	
3.9	EECA costs to date <ul style="list-style-type: none"> • Establishment – (Crown) • Advertising & Marketing – (EECA) • Project management of the installations – (Crown) • Actual costs of the 3rd party installer - (Crown) 	9(2)(a) by 18/3
3.10	An understanding of the Overs/Unders funding analysis (original & current) needs to be done for the board papers	9(2)(a) 18/3
3.11	Installation rules that are publicised	18/3
3.12	Claims estimate & Value	Lance / Reid by 18/3
3.13	Draft joint board paper for both boards (EQC & EECA) incl draft ministerial direction is required to be written	Bryan by 18/3
4.0	Principles Of Future Arrangement	
4.1	This is a partnership between EQC & EECA	
4.2	Chimney Repair Programme (CRP) continues in its full scale of 4 fuels as promised	
4.3	EQC takes over the delivery of CRP from EECA	
4.4	EECA transfer those staff, resources & systems to EQC's agent (FCC) that are agreed as appropriate	
4.5	EQC, through the PMO will enter into contracts to supply and install the heat units	
4.6	Primary funding for heating units & installation is money that EQC would have spent to return chimneys to "Like for Like"	
4.7	Any over costs be underwritten by the crown	
4.8	EECA will continue to <ul style="list-style-type: none"> • Establish the unit replacement type and agreement with the home owner. This includes operating costs • Approve unit types, manufactures & installer • Size units for each case • CRP call centre systems (transfer?) 	
4.9	Supply & install contract is with EQC and managed by the PMO	
4.10	EECA uses best endeavours to recommend systems that fit within the overall EQC claims liability	
4.11	Meet the policy obligations of both EQC & EECA	
4.12	EECA reports on achievements of the clean air objectives	
	Next meeting scheduled for Next week?	
	Minutes taken by 9(2)(a)	

9(2)(a)

From: 9(2)(a)
Sent: Wednesday, 16 March 2011 12:20 p.m.
To: Ashley Owers (9(2)(a))@treasury.govt.nz
Subject: Another OIA question

Hi Ashley

I think I know the answer to this, but I just want to run my thoughts by you.

We've got an OIA from a Dr 9(2)(a) who is seeking all technical papers concerning proposals for perimeter works planned in Canterbury.

I'm in the process of getting the relevant papers together.

This OIA results from a string of previous emails and requests that Dr Robinson has made to both EQC and our geotechnical engineers Tonkin & Taylor about the science behind the proposal. Basically what he seems to be looking for is the research that T&T has used to make the recommendations. This research is referenced in the reports T&T have provided EQC, but at no stage have we sought to have those references provided to us. Therefore, all the technical papers underpinning the recommendations are probably held by T&T.

I think he believes that there is a specific report (possibly a literature review) with all the scientific data underpinning the recommendations. This does not exist and EQC have said, as part of the email trail, that this is the case and EQC has no intention of commissioning such work given the priorities at hand.

However, as part of this email trail, T&T have made reference to "all the calculations and complete scientific analysis is the property of the Earthquake Commission". Unfortunately, this seems to have created the impression that we do in fact have such a report.

It is my understanding that we can only provide those publications etc. that we hold (either physically or electronically) when responding to an OIA request.

Other than the various geotechnical reports that are published on the EQC website about damage and options (Stage 1 & 2, Interpretative, and Factual reports), we only hold the confidential drafts (version A & B) for the Stage 1 report + the peer review of the Stage 1 report. I'm assuming we would be required to release the drafts and peer review (although I'm also a bit concerned he may start badgering BECA & John Wood Consulting, the agencies that conducted the peer review for information as well).

T&T have also made presentations to the Board, but I'm not sure if this falls within the scope of "technical papers".

Do you think we would be required to get T&T to also provide us with any of these scientific papers underpinning their recommendations (if they have these)? My feeling is not, but I'm happy to take your sage advice.

Cheers

9(2)(a)
Advisor
Earthquake Commission

9(2)(a)

From: Bryan Dunne
Sent: Wednesday, 16 March 2011 12:00 p.m.
To: Juston Anderson 9(2)(a)@treasury.govt.nz
Subject: SolI stuff

Juston

Do we need to extension of time for Sol? Ian is away comes back shortly before deadline for getting draft to you + I'm unsure what consultation/sign-off is required on any proposed/resulting reinsurance arrangements. Then we need Board to OK. Can you advise thanks

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)

Tel: 9(2)(a) | bryandunne@eqc.govt.nz

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9(2)(a)

From: 9(2)(a)
Sent: Wednesday, 16 March 2011 8:25 a.m.
To: 9(2)(a)@treasury.govt.nz
Cc: Bryan Dunne
Subject: Information Request
Attachments: EQC Response to Treasury Questions.docx

Hi Peter

Bryan's asked me to look after your request. Apologies for not getting back sooner.

Attached is a draft reply. The land remediation stuff is pretty much squared away.

The info on the processes is the best I can do at this stage with the key person being down in Chch.

Hopefully this gets through as the email system is having maintenance done on it.

9(2)(a)
Advisor
Earthquake Commission

EQC Response to Treasury Questions

Insurance Process Framework

CLAIMS PROCESS	OTHER ELEMENTS
<p>Claim Lodgement</p> <ul style="list-style-type: none"> • Claim lodged via call centre or website • Claim entered into claim centre • First Response team creates claim file • Claimant details verified with private insurer to confirm current insurance cover. 	<p>Investments/NDF</p> <ul style="list-style-type: none"> • EQC will draw down NDF funds to meet costs arising from the event up to (initially) \$1.5B. • After the reinsurance cover is exhausted, EQC will again draw down funds from the NDF.
<p>Claim Allocation</p> <ul style="list-style-type: none"> • Claim allocated to Fast Track and Field Offices <p>Fast Track</p> <ul style="list-style-type: none"> • Deals with claims less than \$10,000. • Claims settled over the phone and referred to GBS claims management. • Refers other claims to Field Office. <p>NB Fast Track office has been disestablished.</p> <p>Field Office</p> <ul style="list-style-type: none"> • Conducts inspections for building and land claims over \$10,000. 	<p>Reinsurance</p> <ul style="list-style-type: none"> • EQC has \$2.5B of reinsurance • If EQC considers that event costs will be greater than the \$1.5B deductible, it will notify its reinsurers. • Reinsurers will pay out claim payments on receipt of invoice from EQC
<p>Property Inspection</p> <ul style="list-style-type: none"> • Property inspected by EQC Loss Adjustor and Estimator. • May also require visit by valuer, engineer and geotechnical engineer. • Land damage referred to Land Remediation Programme? • Geotechnical engineers undertake ground investigation. 	<p>Resource Requirements</p> <ul style="list-style-type: none"> • Increase in call centre capacity to manage claim volumes • Recruitment and training of loss adjustors. • Recruitment of estimators.
<p>Quantification</p> <ul style="list-style-type: none"> • Assessment made on scope of works to repair building damage. • Geotechnical engineers provide estimates of land damage repair costs. • Valuers estimate market value of land at 3 September 2010. 	
<p>Resolution</p> <ul style="list-style-type: none"> • Building claims under \$10,000 or over \$100,000 settled and referred to GBS claims management. • Building claims \$10,000-\$100,000 referred to Fletcher Construction PMO. • Payments made to claimant by GBS to either the owner or bank if there is an outstanding mortgage. • Building damage repaired by Fletcher Construction PMO. • Land claims managed as part of Land Remediation Programme. 	

Constraints

The rapid assessment process will help to prioritise full assessments (and reassessments), but the assessment of all claims could still take up to 12 months.

Normally, the average time to settle house and contents claims is 1 month. After the 4 September 2010 earthquake, the settlement time depended on the claim amount.

- Contents only and building claims of less than \$10,000 were settled relatively quickly.
- Building claims greater than \$100,000 were also settled quickly.
- Claims that fell within the \$10,000-\$100,000 range were dependent upon the Fletcher Construction PMO process for managing repairs.

The average time to normally settle land claims would have been 3 months (although the actual time will vary according to the complexity of damage). Currently, the settlement of land claims will depend on:

- Assessments by geotechnical engineers on the extent of damage, likely risks and the options and costs for any remediation work.
- Valuations to determine the market value of properties prior to the event.
- Determining the extent of works and a construction programme.
- Design of works.
- Agreement with local authorities about any proposals.
- Discussions with private insurers about proposals
- Public consultation on the proposals,
- Fulfilling any consenting requirements,
- Procuring contractors to undertake the work.

Within this process, a number of other issues have been identified that will impact on the rebuild timeframe include:

- Appeals to the Environment court on Resource consents
- Temporary accommodation availability.
- Access issues.
- Historic Places Trust consultation and consent.
- Community consultation on any proposals
- Reaching agreement between local authorities and central government agencies, including EQC, on responsibilities for proposals. Including integration with Council work streams.
- Policy decisions concerning land level
- Orders in Council can fast track some of these issues (some are already in place).

Within these constraints, there are two fairly straightforward scenarios:

- Where there is only minor land damage, this work can be completed as part of any building repair work.
- Where there is major building (so that the only option is rebuild) and land damage, any land remediation can be undertaken as part of the rebuild.

A stickier situation is where there is only moderate building damage but major land damage. If land remediation requires demolishing the building, this will need homeowner decisions. This in turn will be based on:

- The insurers final decision on pay-out (this timeframe is outside EQC's control)
- Information about the cost of insurance and consenting for any rebuild. This in turn will be dependent upon:
 - The level of certainty around geotechnical and flood risk
 - Some level of information/decision about timing and scope of work for their area (if it is part of a badly affected block).

This is worsened where there are large numbers of properties and the damage (both land and building) is variable i.e. some properties may be undamaged or only suffered moderate to minor damage, whilst others may be a total loss.

Indicative Geotechnical Analysis Timetable

The geotechnical information will take a while to collect and interpret. As reported in EQC's Ministerial Weekly Report of 10 March, Tonkin & Taylor have said the analysis is expected to be completed by mid-April 2011. The analysis will include:

- Aerial mapping.
- LiDAR mapping (to determine areas of lifting and slumping) by air.
- Analysis of LiDAR maps and comparison with those developed for the 4 September earthquake.
- Analysis of Christchurch City Council flood maps and its updated flood models determine changes in flood risk for affected areas.

Any views concerning emerging land remediation options could only be developed after this work is completed. There are no indications at this stage concerning the timing of such proposals.

Policy Scenarios

Under current policy, what are property owners entitled too? Payment for damage, land damage.

EQC provides insurance against loss or damage to a property owner's home, personal possessions and land upon which the house is built. EQC insures each as follows:

- House: replacement value. Costs of rebuilding or repairing a house up to a maximum of \$100,000 + GST
- Contents: same basis as private insurer. Either replacement or indemnity value up to a maximum of \$20,000 + GST
- Land: lower of value of damaged land or repair cost. Compensation for loss or damage will be for:
 - Land under and within 8m of the house or buildings serving the house
 - Land for the main access way up to 60m from the house or buildings serving the house
 - Some retaining structures, bridges and culverts.

NB. If the home and contents are insured privately for less than the EQC maximums, the maximum amounts payable by EQC is then the amount on the insurance policy.

If the property damage is such that the claim is considered a total constructive loss, EQC will pay-out the maximum amounts for building and land.

Damage above these amounts is the responsibility of the private insurer.

If property owners want to take their insurance payment for a rebuild and leave what does that mean (i.e. what happens to the land – EQC remediate to a minimal level and the property owner will have an equity hit)?

EQC will provide cash settlement to property owners (or bank) if the building damage is greater than the \$100,000 + GST. Otherwise, EQC will only meet building repair costs (which for damage less than \$100,000 is either paid to the Fletcher Construction PMO or to contractors on receipt of invoice if the owner opts-out of the managed repair process).

In general, the cost of repairing land (filling in cracks, levelling etc.) after the 4 September earthquake was less than the insured value. In such circumstances, EQC is only obligated to repair the land (or in normal circumstances pay the equivalent amount for repairs), and the property owner will still remain in possession this land.

However, the repair work is not likely to preserve the equity in the land, as the pre-earthquake strength is no longer considered adequate in the face of knowledge about the faulting and threat of liquefaction. Property-owners who do not wish to rebuild on that land will struggle to sell it in the market, and so will effectively be out of pocket.

If the government considers that this is an unacceptable situation after the 22 February earthquake (as it was for the 4 September earthquake), potential options include (if it is economic to do so):

- strengthening the land to ensure resilience against future events
- pay property owners the pre-earthquake value of the land
- provide them with an equivalent parcel of land somewhere else.

If a suburb is demolished, what payment will the household get – i.e. EQC/private insurance premise and payment for land – and what determines amount paid for land?

Property owners will only get full EQC/private insurance for their home if it needs to be demolished and rebuilt (whether this is on the same or a different site). Otherwise they will only (indirectly if they remain in the Fletcher construction PMO managed repair process) receive the cost of repair.

Any payment for land damage will only be made if the value of the land is less than the cost of repairing the land. The actual amount payable is the lesser of:

- the value of the land destroyed or damaged, or
- the value of 4,000 square metres, or
- the value of the minimum sized building allowed in the area in which a person lives.

If the land can be repaired for less than its value at the time of damage, then that is the amount EQC is liable to pay.

If some decision is made to 'relocate' whole suburbs then it is inevitable that there will be some houses in those areas which do not need to be fully rebuilt, just repaired (or which perhaps are not even damaged at all). In these cases the EQC payment will not be enough to facilitate relocation. Similarly, and as above, it is likely that the pay-out for land damage will be sufficient to facilitate relocation.

Therefore, under existing policy settings and insurance arrangements, most property owners will be out of pocket to at least most of the value of their land, and in some instances also the value of their house, if a decision is made to 'clear' a suburb or area.

Before a decision on a suburb can be made what decisions about individual properties need to be made – i.e. private insurers will require the entire process defined above or else some policies might be void?

Decisions will be based on information collected on the property and land damage. This will entail:

- Assessments of land damage at a suburb and individual property level. EQC's geotechnical engineers have already indicated that assessments for the 4 September earthquake will need to be redone in most areas.
- Reassessments of properties already assessed by EQC that have suffered further damage.
- Assessments of properties that had not suffered any previous damage.

This will help to determine properties over the cap, any geotechnical risks (and flood risk in some cases). In turn, this will inform decisions about the timing and scope of works and any private insurer obligations.

For these examples it would be useful if we could start to get an idea of how many households fall into each category and therefore start to get a sense of the costs?

Rapid assessments could provide some preliminary information.

Based on the mapping undertaken thus far by EQC's geotechnical engineers, it is possible that some very (and we mean very) preliminary estimates could be made based on experiences from the 4 September earthquake. However, accurate estimates would be available after the geotechnical assessments are completed.

What was the rationale for remediating land to level 4 after the 4 September 2010 earthquake?

Essentially it was a judgement about of the costs and benefits associated with maintaining "social confidence" so as to "... to encourage citizens to stay in the area rather than relocate ... thereby facilitating a more complete recovery of the affected areas". In other words, a more rapid recovery could be facilitated by helping home owners preserve the equity in their property.

Obviously, this balance of costs and benefits has changed for some areas. However, any commitments concerning land remediation should wait until the geotechnical assessments for the latest event have been completed.

What portion of the pay-out to the 13 severely affected properties was paid for by EQC, and what determined the Crown top-up?

This is difficult to answer without further investigation.

From the information provided in the relevant Cabinet paper, it would appear that *all* of the insured value of the land of the 13 severely affected properties was paid for by the Crown.

EQC was only obligated to pay for reinstatement (preliminary estimates provided in the paper put the figure at round \$20,000 per property). It is not stated anywhere whether it was anticipated that EQC would pay this amount, and the Crown the rest (the majority).