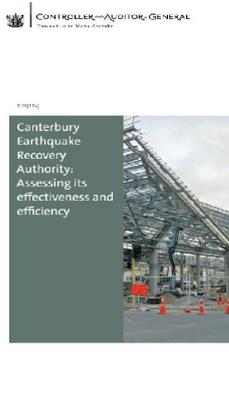




Summary of our report

Canterbury Earthquake Recovery Authority: Assessing its effectiveness and efficiency



This report provides Parliament and the public an independent account of how effectively and efficiently the Canterbury Earthquake Recovery Authority (CERA) has performed.

In 2010 and 2011, the Canterbury region suffered New Zealand's worst natural disaster since the Napier earthquake in 1931. The Canterbury earthquakes killed 185 people, injured about 5800 people, damaged more than 100,000 homes, destroyed much of Christchurch's central business district, and badly damaged infrastructure. Since February 2011, the region has experienced thousands of aftershocks. The damage and recovery task is unprecedented in New Zealand.

Recovering from a major natural disaster takes time. Good progress has been made in the six years since the earthquakes. However, many people in the region are still facing challenges to their daily lives. Many households are yet to settle their insurance claims or complete repairs to their homes, and the effects of the earthquakes and their aftermath on mental health, particularly of young people, is becoming increasingly apparent. Much work also remains to be done to complete the rebuild of Christchurch's central city.

CERA's statutory powers were intended to enable it to direct recovery operations and plan for the longer-term recovery of places, people, and communities. CERA played a significant role throughout the first five years of the recovery from the Canterbury earthquakes. During these five years, CERA was responsible for spending about \$4 billion on a range of recovery programmes.

CERA had to start this task from scratch since there was no plan in place for establishing a recovery agency in New Zealand. After CERA's quick establishment, staff were soon involved in the early tasks of recovery, some of which were inherited from the former Canterbury Earthquake Recovery Commission. However, it took a long time for CERA to set up effective systems and controls, which meant that staff had to work in a challenging environment without the usual back-office support and controls that we expect in a public entity. CERA's management controls and performance information needed improvement right up to the time of its disestablishment.

CERA was a relatively expensive department to run when compared with other similar-sized public entities. The level of expenditure on administration and support services was

Vital statistics:

- 65 pages
- Presented to Parliament on 08 February 2017
- Download from www.oag.govt.nz
- Contact: reports@oag.govt.nz

large for a small entity, but not unreasonable considering the important, urgent, and complex nature of what CERA was asked to do.

In the early phases of the recovery, CERA was effective in leading a co-ordinated government response to the earthquakes. It managed the demolition of condemned buildings in the central business district effectively, worked well with stakeholders in establishing the overarching recovery strategy, and gathered the information it needed to provide advice about the future of badly damaged residential areas.

However, it became more challenging for CERA to maintain momentum as the recovery moved into the reconstruction phase. Its role became less clear as it took on responsibility for delivering more projects and programmes. CERA needed to adapt to maintain its earlier momentum.

Similarly, CERA's leadership of the Central City Recovery Programme began effectively with the publication of the *Christchurch Central Recovery Plan*, but the actual delivery of the plan was less successful. Engagement with stakeholders suffered from a lack of clarity about the role of the Christchurch Central Development Unit, and there were delays in nearly all of the CERA-led Anchor Projects.

Throughout the recovery CERA needed to manage tensions with residents, and central and local government. Although agencies were able to work effectively at an operational level, these tensions caused delays at a governance level, particularly with Christchurch City Council. In our view, both CERA and the Christchurch City Council were not as open or transparent with one another as is required for an effective recovery. This caused delays in some programmes.

We acknowledge the challenges for an agency like CERA in communicating with a community that is recovering from a disaster, but CERA could have been more effective and efficient in its communication and engagement with the community. Senior staff devoted considerable time and effort to communicating with the community, and CERA spent a large amount of money in this area. However, surveys of the community show that the public's trust and confidence in information from CERA declined over time, and many in the community were not satisfied that they had enough opportunities to influence decision-making about the recovery. CERA increased its expenditure on communications, but it did not adapt or change its approach well enough.

Forming a view on the effectiveness of CERA has been difficult. CERA's external performance measures were focused on what it was going to do, rather than on what it was trying to achieve. This means that it was not able to provide a good account of its effectiveness or demonstrate its value for money. Having a better performance framework is an important lesson for the future.

This report identifies some important lessons and actions that we consider should be used next time New Zealand needs a recovery agency. In light of the November 2016 earthquakes in Kaikōura and the surrounding region, these lessons are particularly pertinent.