

[REDACTED]

From: Official Information
Sent: Friday, 8 April 2016 7:51 a.m.
To: [REDACTED]
Subject: Questions regarding reconstruction costs by the city of Christchurch
Attachments: Reconstruction costs.pdf

Dear [REDACTED]

Thank you for your email, received on 11 March. You requested information under the Local Government Official Information and Meetings Act 1987 (LGOIMA).

Staff have provided responses to the questions and points you raise below.

I would like to close the loop by finding out more the accumulated reconstruction costs borne by local governments - the city of Christchurch and possibly the other impacted councils. Hence my questions are the following. I've read all the annual reports and plan report, but I couldn't find any aggregated information besides "\$40 million per week spent on the city rebuild" which would bring the council's total accumulated reconstruction expense to \$10 billion...

Staff are not certain where the "\$40m per week spent on the city rebuild" comment would have been published. In the early stages the Council was spending roughly \$40m per month with SCIRT (<http://strongerchristchurch.govt.nz/>) but that was before the Crown started paying their share direct to SCIRT. The Council's level of spend wouldn't have been anywhere near \$40m per week.

Hence my two questions are:

What's the total accumulated reconstruction cost to date that was covered by the city of Christchurch attributable to the 2010/2011 earthquakes (\$10b??) If there's a further breakdown of the various cost items that would be useful (eg. immediate emergency relief costs, public buildings reconstruction costs, public infrastructure, roads, social support, etc.). The figures should be net of insurance proceeds and Crown contributions/subsidies.

The attached file details the cost (\$842m), based on capex and opex spend from 10/11 to Feb 2016 less any recoveries. I've categorised the codes based on the breakdown in the question.

2) How were these reconstruction costs funded by the council? Did the council have any emergency fund/reserves? Was it funded by incoming tax? Did the council have to lend money from the federal government? Did the council borrow money from the capital markets by issuing bonds? If available, a breakdown by different funding arrangements would be very helpful.

Prior to the earthquake our borrowings were very low and we were able to borrow money immediately from our major banks on two year terms. We've since refinanced using the LGFA with some borrowing going out 10-15 years. [REDACTED]

 *The only Central government funding (NZ equivalent of Federal) that we've used was the 60% of the cost of repairing underground infrastructure, (wastewater pipes, water supply), that the government provides in emergencies. (refer Ministry of Civil Defence and Emergency Management legislation). This was capped at \$1.7 billion, far less than what we would have expected if they met the full obligation.*

I trust his assists.

Kind regards,

Sean

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Christchurch City Council
Reconstruction costs to 29 February 2016

	\$
Immediate Emergency Response Costs	35,686,902
Public Buildings / Facilities	92,893,781
Public Infrastructure	571,502,602
Roads	123,877,052
Social Support	18,846,447
	<u>842,806,784</u>

Notes:

- (1) The costs listed above are net of insurance proceeds and Crown contributions.
- (2) Social Support costs relate primarily to rates remissions to homeowners.