Coversheet: Greater Christchurch Regeneration Amendment Bill

Advising agencies	Department of the Prime Minister and Cabinet
Decision sought	Amendments to the Greater Christchurch Regeneration Act 2016 to support the timely transition to local leadership in Christchurch and to support continued momentum on regeneration
Proposing Ministers	Minister for Greater Christchurch Regeneration (Hon Dr Megan Woods)

Summary: Problem and Proposed Approach

Problem Definition

What problem or opportunity does this proposal seek to address? Why is Government intervention required?

The opportunity this proposal seeks to address is to accelerate the transition back to local leadership of regeneration in Christchurch, providing an early return to normalised institutional and legislative arrangements, and giving certainty to Christchurch on regeneration functions.

It also seeks to ensure that the Crown has sufficient time to complete required title reconfiguration work in the Ōtākaro Avon River Corridor before transfer to the Council, set out in the Global Settlement Agreement between the Crown and Christchurch City Council (the Council).

Proposed Approach

How will Government intervention work to bring about the desired change? How is this the best option?

The Greater Christchurch Regeneration Act 2016 (the Act) provides for alternative and extraordinary legislative and institutional arrangements, to support the regeneration of greater Christchurch following the Canterbury Earthquake sequence of 2010/11.

The Crown never intended to have an ongoing extraordinary role in greater Christchurch and it is time to consider reducing that role. This proposal therefore, seeks to continue this transition through changes to the Act to specifically:

- remove extraordinary powers to make changes to planning documents (section 71 powers);
- disestablish early Regenerate Christchurch, a Crown-Council jointly owned and

funded organisation set-up under the Act specifically for regeneration; and

 extend some of the provisions needed for reconfiguration of land titles in the Ōtākaro Avon River Corridor.

These amendments to the Act will support an accelerated transition back to local leadership and reduce the level of extraordinary legislative and institutional interventions in Christchurch. It will also provide additional time for Land Information New Zealand (LINZ) to complete required land title reconfiguration and give certainty on Regenerate Christchurch's future. These changes cannot occur without legislative change.

Section B: Summary Impacts: Benefits and costs

Who are the main expected beneficiaries and what is the nature of the expected benefit?

Beneficiaries:

Crown -

- Reduction in administration costs for administration of s71 proposals¹, proponents of any changes will only have standard planning processes available;
- Further withdrawal of the Crown from its extraordinary role in Christchurch, accelerating the return to local leadership of regeneration. Section 71 proposals require Ministerial decision-making on changes to local government planning documents. Removal of these powers will return all planning processes to standard local government processes, with the required public consultation phases;
- Support for a more normalised relationship between the Crown and all territorial authorities, with Christchurch losing one of it extraordinary planning powers;
- Early removal of need to fund Regenerate Christchurch (\$4 million in 2020/21) or participate in related work (board appointments, tabling of reporting documents, performance monitoring, etc);
- Disestablishment of Regenerate Christchurch will also reduce the current confusion with the number of institutions with a role in regeneration in Christchurch, including those put in place and funded by the Crown and Council:
- Provides confidence that the required work (under the Global Settlement Agreement) on reconfiguration of land titles in the Ōtākaro Avon River Corridor by LINZ can be completed in a manner that is dictated by outcomes rather than timeframes and in a

Note proponents for section 71 proposals can be strategic partners - Canterbury Regional Council (Environment Canterbury), Christchurch City Council, Selwyn District Council, Te Rūnanga o Ngāi Tahu, and Waimakariri District Council, or Regenerate Christchurch or the Chief Executive of the Department of the Prime Minister and Cabinet. However, none of the other territorial or regional authorities have made use of the provision, so the focus here is on Christchurch City Council and Regenerate Christchurch

more efficient and effective way;

Christchurch City Council (the Council) and other local leaders -

- Accelerate the return of regeneration decision-making to local leadership by removal of an extraordinary Crown decision-making power for planning (removal of s71 power), including no longer having to undertake the associated work administering and participating in multiple planning processes. Since enactment, the section 71 provision has been used three times, with two proposals currently underway. It has been used to alter Christchurch City and Environment Canterbury planning documents to enable changes including for the relocation of Redcliffs School and the development of a sport and recreation facility in Yaldhurst. (In its s71 proposal for Lyttelton parking changes (currently underway), the Council stated costs of the alternative process could exceed \$100,000 for a plan change under schedule 1, Part 1 of the RMA (p.13 of the proposal));
- Provide clarity on leadership of certain regeneration functions in Christchurch (with the disestablishment of Regenerate Christchurch);
- Saving of the Council's share of funding for Regenerate Christchurch (up to \$1 million per annum currently) and its participation in related work (board appointments, performance monitoring);
- Give the Crown more time for the title reconfiguration work in the Ōtākaro Avon River Corridor if required, resulting in the land being transferred to the Council in a state that best supports the delivery of planned regeneration activities and reducing the chance that the Council will have to complete the reconfiguration via alternative processes which may be more time consuming;

Regenerate Christchurch -

Provide clarity and certainty on the timeframes for its disestablishment and transfer of functions/assets and for its staff (noting that a transition plan is currently being prepared for Regenerate Christchurch's functions as required by the Global Settlement Agreement);

Community/citizens -

- Standard resource management processes would be followed earlier where required, along with broader public consultation processes and review/appeal options;
- The Crown's extraordinary presence in Christchurch (on planning matters) is withdrawn as soon as it is no longer required, rather than waiting for the existing date of expiry (June 2021); and
- Clarity on which organisations in Christchurch are responsible for regeneration, and accelerate transition to local leadership, ensuring locally elected representatives are responsible to their communities.

Where do the costs fall?

Crown -

- In general, the Crown will be reducing its extraordinary role and this will reduce the costs associated with operating in an extraordinary capacity, including funding Regenerate Christchurch;
- The Crown will incur the administrative costs of the legislative change process to enable the proposals, noting there is already an existing policy function able to undertake this process;

Council / ratepayers -

- With the removal of the streamlined s71 process, some additional costs or resourcing may be required for future plan change processes (note the Council's estimate that a standard process for the current Lyttelton parking s71 proposals states it could be \$100,000+ if done through standard RMA processes); however, this is consistent with a territorial authority's normal responsibilities and would be consistent with other authorities in New Zealand; and
- May be some costs from early disestablishment of Regenerate Christchurch transfer of assets, files, staff costs including redundancy, increased responsibility for some regeneration functions for the Council (although note this is not recognised as being a significant change to its current work on regeneration), etc. \$9(2)(b)(ii)

What are the likely risks and unintended impacts, how significant are they and how will they be minimised or mitigated?

Not many, if any, unintended impacts expected – as the proposals are narrow in scope and limited in terms of scale. Officials anticipate that business-as-usual processes will be able to take over when the extraordinary functions are revoked as they have continued as standard while the extraordinary powers have been in place. The Council has increasingly been taking on leadership for regeneration in Christchurch.

The Order in Council for the Christchurch District Plan, was revoked in February 2019, returning standard planning processes to the Council. No further s71 proposals have been identified indicating that extraordinary powers to address issues arising from the earthquakes have been addressed.

Powers to develop or amend regeneration plans will remain in place, should any significant regeneration issues arise that require action (such as the need for changes to existing recovery or regeneration plans).

Risks

No risks have been identified by strategic partners during discussions on this proposal. The only risks identified by Officials are that:

A section 71 proposal is made prior to provision being revoked -

This is not expected as the proponents able to make proposals have advised they do not anticipate any further proposals for use of the power. However, consideration is being given to the viability of using a transition provision in the Bill to clarify the treatment under the Interpretation Act 1999.

Reconfiguration of land titles takes longer than the bill provides for

There are provisions in the Global Settlement Agreement to deal with this already, and it is noted that the extension is only intended as a backstop provision, which will not necessarily be used. There is a risk that the existence of the bill could disincentivise efficient use of resources to complete the work by the current deadline for the powers; however, this can be mitigated. Shared governance arrangements for implementation of the global settlement between the Crown and Council will ensure this.

Identify any significant incompatibility with the Government's 'Expectations for the design of regulatory systems'.

No significant incompatibility has been identified.

The Government expectations include seeking to remove or redesign existing regulatory systems if they are no longer delivering obvious net benefits.

As the proposals relate to the revocation of extraordinary powers and the ongoing existence of a Crown-Council institution, as well as the extension of other existing powers to ensure overall momentum on transition is maintained, this is consistent with the expectations.

Section C: Evidence certainty and quality assurance

Agency rating of evidence certainty?

Based on officials' experience of working with the current provisions in the Act and other parties who work with the provisions, there is a range of evidence to support proposed changes.

It consists of:

 the 2019 Annual Independent Review of the Act (required by section 150 of the Act, but not binding) tabled in October this year, through which the reviewer was specifically asked to consider how the Act supports the return to local leadership. In conclusion, it recommended it was time to consider repeal of the Act and extension of land reconfiguration powers (note the review included engagement with the Department of the Prime Minister and Cabinet, LINZ, Treasury, Ōtākaro

Limited, Regenerate Christchurch, Christchurch City Council, Selwyn District Council, Waimakariri District, Environment Canterbury, Te Rūnanga o Ngāi Tahu, DCL, ChristchurchNZ and the Canterbury Employers Chamber of Commerce.);

- central and local government having worked with the provisions of the Act since 2016 – in particular, the Department of the Prime Minister and Cabinet and LINZ, as well as through consultation with Regenerate Christchurch, Ōtākaro Limited and the Council; and
- the Global Settlement Agreement reached between the Crown and Christchurch City Council on 23 September 2019, which provides clarity and certainty about what work remains and the Act powers needed to complete it.

To be completed by quality assurers:

Quality Assurance Reviewing Agency:

Department of the Prime Minister and Cabinet

Quality Assurance Assessment:

The Department's Regulatory Impact Analysis Panel considers that the information and analysis summarised in the "Greater Christchurch Regeneration Amendment Bill Regulatory Impact Assessment partially meets the quality assurance criteria.

Reviewer Comments and Recommendations:

This proposal focusses on taking an opportunity presented by the conclusions of the recent Review of the Greater Christchurch Regeneration Act. The opportunity and objectives of the proposal are well described, as are the consequences of not taking the opportunity. The analysis considers both regulatory and non-regulatory options, and it is helpful that some quantitative evidence of costs and benefits is included. The language is clear and relatively concise, and the RIA makes good use of subheadings to help the reader navigate the opportunity and the proposal.

However, the Panel does not find the RIA fully complete at this stage. Further monetisation of the options would likely have been possible if more time had been available to develop the proposal. More crucially, although significant consultation occurred as part of the 2019 review of the Act and the Global Settlement Agreement, time constraints have meant that it has not been possible to undertake full consultation on this particular set of proposed amendments.

Impact Statement: Greater Christchurch Regeneration Amendment Bill

Section 1: General information

Purpose

The Department of the Prime Minister and Cabinet is solely responsible for the analysis and advice set out in this Regulatory Impact Statement, except as otherwise explicitly indicated.

This analysis and advice has been produced for the purpose of informing final decisions to proceed with a policy change for Cabinet consideration.

Key Limitations or Constraints on Analysis

Scoping of the problem

The opportunity this proposal seeks to address is to accelerate the transition back to local leadership of regeneration in Christchurch, providing an early return to normalised institutional and legislative arrangements, and giving certainty to Christchurch on regeneration functions.

It also seeks to ensure that the Crown has sufficient time to complete required title reconfiguration work in the Ōtākaro Avon River Corridor before transfer to the Council, set out in the Global Settlement Agreement between the Crown and Christchurch City Council (the Council).

The opportunity has been identified as a result of a move to a new stage of regeneration, with a number of significant decisions having been made recently.

The decisions made recently include those made on the global settlement, Ōtākaro Avon River Corridor Regeneration Plan, and the revocation of the Order in Council for the Christchurch District Plan returning control of the District Plan to the Council. This means there is now greater certainty on regeneration and it is now possible to consider removal of some of the current provisions. It is also noted that local decisions on regeneration matters now need to be made at the local level. \$9(2)(g)(i) proposed changes are also supported by the Minister for Greater Christchurch's publicly stated intention to be the last Minister for Greater Christchurch Regeneration, with the portfolio concluding at the 2020 General Election.

These decisions have provided the certainty that now allows for legislative change to be considered, but limit the time available for the results of that change to be meaningful. To be effective in accelerating the return to local leadership, these amendments need to be in place by the middle of 2020. If legislative change is delayed until after the 2020 election, the benefits of change are not significant enough as it will provide less than a year prior to the intended expiry, which does not actively signally the Crown's intention to accelerate transition, nor will it be providing clarity for local entities (including the affected Regenerate Christchurch) on the leadership and direction of regeneration.

As a result, any changes to the Act need to be as simple and straightforward as possible. Therefore, the scope of analysis has been constrained to highest priority matters, which are considered to be provisions that need to be:

- Revoked early (prior to expiry of the majority of the provisions); or
- Extended, to provide confidence that the required work (under the Global Settlement Agreement) on reconfiguration of land titles, involving approximately 5,500 land titles in the Ōtākaro Avon River Corridor by LINZ, can be completed in a manner that is dictated by outcomes rather than timeframes. (It is worth noting that even with high certainty around reconfiguration of 1,000 properties in Waimakariri, divestment of those properties still took 24 months.)

Analysis has not extended further to consideration of any new provisions that may be required to accelerate the transition to local leadership nor whether any other restrictions on

required to accelerate the transition to local leadership nor whether any other restrictions on regeneration momentum should be removed.

Other matters

- Evidence Much of the evidence available to support some of the proposed changes (in particular, those intended to progress transition to local leadership) is qualitative or anecdotal. This is due to the nature of the policy objectives, and that there is no single or quantitative measure of the appropriateness of extraordinary powers at this point in regeneration. However, the proposals are supported by a comprehensive review of the Act undertaken by Liz Sinclair 2019 and consultation with key stakeholders.
- The Annual Review of the Act (2019) found that a tipping point has been reached on the need for some powers, as well as noting the usefulness of extending land title reconfiguration powers. It has been assumed that even though there is not an acute problem that needs to be addressed, there is an opportunity to be proactive and to remove provisions that are no longer needed and to transition to local leadership. This transition also aligns with the Crown's desire for its role in Christchurch to be wound back. The proposals are consistent with the Government's 'Expectations for the design of regulatory systems'.
- Consultation and testing Key stakeholders had input into the review of the Act, which has informed the policy process for this proposal. However, time constraints have meant that there has been limited specific stakeholder consultation on legislative change (with Council and Regenerate Christchurch this has been limited to officials and not included elected or appointed members) and no public consultation on the proposals. Anecdotally (and based on previous consultation on the GCR Bill) it is expected that the proposals will be supported by a number of people in the greater Christchurch community. The select committee process will provide an important opportunity to test the proposal further and officials will work with key stakeholders during drafting.

Responsible Manager (signature and date):

Anne Shaw

Executive Director

Greater Christchurch Group

Department of the Prime Minister and Cabinet

Section 2: Problem definition and objectives

2.1 What is the context within which action is proposed?

Regulatory background

The Act's purpose when enacted was to provide a new legal framework to support the regeneration of greater Christchurch over the next five years. The legislation was needed to recognise the shift in focus from recovery directly following the Canterbury earthquakes (governed by the Canterbury Earthquake Recovery Act 2011) to regeneration, through providing for the timely, future development of greater Christchurch and enabling an increased role for local leadership.

It established Regenerate Christchurch with the objectives to:

- lead regeneration in the area of Christchurch district that falls within greater Christchurch:
- engage and advocate effectively with communities, stakeholders, and decision makers to achieve its purpose:
- collaboratively work with others in achieving regeneration.

Its functions include developing visions, strategies and regeneration plans (including most significantly the Ōtākaro Avon River Corridor Regeneration Plan), to make recommendations and provide advice to the Minister on the development, revocation and amendment of regeneration plans and on the exercise of the Ministerial power under section 71. It is a body corporate jointly funded by the Crown and Council (currently split \$4million from the Crown, \$1 million from the Council), with both appointing Board members.

It is coming up to nine years since the 2011 earthquake in Canterbury and the transition to local leadership of regeneration in Greater Christchurch is well underway. The Crown and the Council approved the global settlement on 23 September 2019, which significantly advances the transition to local leadership in Christchurch and establishes a process for the transfer of a number of assets to the Council, including approximately 5,500 Crown-owned properties in the Ōtākaro Avon River Corridor acquired under the previous Canterbury Earthquake Recovery legislation. Other matters supporting the return to local leadership include the revocation of the Order in Council for the Christchurch District Plan and the Minister for Greater Christchurch Regeneration's stated intention to be the last Minister with the role to conclude at the 2020 General Election.

Annual review of the Act

The need for legislative change is considered annually by a review of the Act (required under section 150 of the Act). The 2018 review did not recommend any changes to planning and land management instruments. However, for the recent 2019 review the reviewer was specifically requested to look at how the Act supports the return to local leadership.

The 2019 review recommended early revocation of some powers and extension of the land powers LINZ uses. It explicitly looked at how the Act sets up transition and concluded:

A tipping point has been reached where the need for the legislation in its present form is effectively over. I recommend consideration be given to early repeal of the Act. This will assist with providing clarity about the planning environment, start to simplify the agency ecosystem and inform the transition plan for Regenerate Christchurch itself. (para 21)

 LINZ's powers should be extended to enable completion of the OARC land title reconfiguration. ... I consider that given the complexity involved, and the likely emergence of unforeseen issues, an extension is sensible. (para 71)

These conclusion were backed up by a range of stakeholders interviewed as part of the Review.

Counterfactual

The current Act contains provisions that are no longer supportive of the current intention in Christchurch to return to local leadership. This proposal seeks to amend the Act to align with the expectations set by the global settlement and advance the return to normalised institutional and planning legislative arrangements earlier than the planned expiry of the provisions.

While the reconfiguration provisions in the Act were put in place with the express intention to support the complex reconfiguration that was likely to be required for areas such as the residential red zone, it has not been possible to begin this process until future land uses were determined and desired reconfiguration was confirmed. Because the Ōtākaro Avon River Corridor Regeneration Plan was only approved in August 2019, responsibility for costs was only determined through the Global Settlement Agreement in September, this has prevented LINZ from using the powers as they were originally intended until now.

This means there is a risk the necessary title reconfiguration may not be completed by the time the relevant powers are due to expire in June 2021. While there are alternatives open to the Crown and Council, they would be less efficient and take longer than using the current powers.

A summary of the potential bill and the provisions effected is as follows:

<u>Matter</u>	Act Parts/ section	Revoke early	<u>Extend</u>	Comment
Section 71	Sections 65-73	√		S71 is referenced throughout the Act (e.g. purpose (s3(d)), who may be a proponent s14, functions of Regenerate Christchurch s123)
Regenerate Christchurch	Sections 121-136 and Schedule 5	(disestablish date TBC- 30 June or 30 Sept 2020)		Date that these sections are revoked = disestablishment date – e.g. 30 June, 30 Sept. (depending on speed of bill) Ability to transfer assets etc from Regenerate Christchurch stays in leg till

				June 2021
	Sections with time frames (121 (2)(c), 140, 128,s151 & Sch 5 cl 69)			Amend dates to reflect new disestablishment date Affecting: requirement for Board Chair, transfer of assets to any successor org and last annual report.
	Reference to Regen Chch and Residential Red Zone in definition of proponent (s14(4)) and Schedule 3)	√		Consequential: RRZ is referenced in the GCR Act only because it ties to a function of Regenerate Christchurch.
Land title Reconfiguration	Sections 75 (surveys), 87 (road stopping) 91- 101 (reconfiguration), and 107-109 (disposal)		√	Limit to ŌARC land (and adjacent sites as required) and only extend for set time
Annual independent Review requirement	Section 150	√		Would send a message that the cost of independent review not required

Objectives

The objectives of the proposed amendments is to:

- accelerate the transition to local leadership;
- provide clarity and certainty to Christchurch entities and communities;
- remove extraordinary powers, that are no longer required and demonstrably return regeneration matters to local leadership; and
- identify a limited set of extensions that are not controversial, align with the Crown's existing obligations (i.e. global settlement obligations regarding residential red zone land), and will support regeneration.

2.2 What regulatory system, or systems, are already in place?

The Greater Christchurch Regeneration Act 2016 provides the existing framework for extraordinary powers relating to regeneration of Christchurch. It replaced the Canterbury Earthquake Recovery Act 2011 and signalled the move from recovery following the earthquakes of 2010 and 2011 to regeneration. The Act was passed in 2016 to provide extraordinary powers to support regeneration and assist with the transition back to local leadership.

The Act includes provisions for processes for extraordinary planning powers requiring Ministerial approval, a separate Crown-Council funded regeneration agency and LINZ administered powers to simplify required processes for the administration of Crown-owned land. A number of other agencies have an interest in this system notably: Christchurch City Council, Regenerate Christchurch, Ōtākaro Limited (Crown-owned delivery agent), other territorial authorities in Canterbury, Ngāi Tahu, and the communities of greater Christchurch.

The Act includes provisions for an annual review to be undertaken each year. The most recent review noted that a tipping point has been reached where the powers in the Act are no longer as necessary as they originally were, with the exception of the need to extend the land/title reconfiguration powers. Extension of the land powers will be necessary to ensure the Crown can deliver on the agreement in the Global Settlement Agreement regarding the transfer of Ōtākaro Avon River Corridor land, and support the implementation of the recently approved Ōtākaro Avon River Corridor Regeneration Plan.

2.3 What is the policy problem or opportunity?

Opportunity to accelerate the return to local leadership

The opportunity this proposal seeks to address is to accelerate the transition back to local leadership of regeneration in Christchurch. It also seeks to address a problem with ensuring the Crown has sufficient time to complete title reconfiguration work in the Ōtākaro Avon River Corridor before transfer to the Council (as set out in the Global Settlement Agreement).

Objectives of the proposals

This proposal is about continuing the transition back to local leadership in Christchurch. It is about returning Christchurch to the same ways of working as other areas of the country returning to local leadership on local issues. If the status quo remains, the opportunities for accelerating transition will not be realised.

Revocation of provisions

There is an opportunity to accelerate the transition to local leadership by removing regulatory provisions that provide for central government decision-making. These provisions are no longer seen as necessary in Christchurch. The current reasons for their usage increasingly look like matters that should be dealt with through standard local government planning processes, which involve more public consultation and the opportunity for appeals.

There is also institutional clutter that creates confusion in the governance of regeneration of

Christchurch (see 2017, 2018 and 2019 annual reviews of the Act). It has become clear that there is no longer a need for a specific regeneration agency, with the Council taking over this role in the city in recent years, along with its Council-Controlled Organisations including ChristchurchNZ.

Extension of provisions

The Global Settlement Agreement between the Crown and the Council sets out a number of decisions on transfer of assets and property including the transfer of the Ōtākaro Avon River Corridor land from the Crown to the Council.

Reconfiguration of the titles for that land by LINZ prior to transfer, using provisions in the Act, is built into the agreement. This work is by necessity complex and time-consuming and unforeseen delays may mean this work is not completed by 30 June 2021. As it will not be possible to know whether the provisions will be required beyond the expiry until late in 2020, it is considered prudent to extend them for a limited time.

Need for changes to the Act

Given the provisions are contained in the Act, the only way to address an extension, so they remain available, is through Government intervention to remove or extend them.

Evidence base - robustness

Based on officials' experience of working with the current provisions in the Act and other parties who work with the provisions, there is a range of evidence to support the proposed changes. It consists of:

- the 2019 Annual Independent Review of the Act tabled in October this year, through which the reviewer was specifically asked to consider how the Act supports the return to local leadership. In conclusion, it recommended it was time to consider repeal of the Act and extension of land title reconfiguration powers (note the review included engagement with the Department of the Prime Minister and Cabinet (DPMC), LINZ, Treasury, Ōtākaro Limited, Regenerate Christchurch, Christchurch City Council, Selwyn District Council, Waimakariri District, Environment Canterbury, Te Rūnanga o Ngāi Tahu, DCL, ChristchurchNZ and the Canterbury Employers Chamber of Commerce.);
- experience of the Department of the Prime Minister and Cabinet and LINZ, as well as through consultation with Regenerate Christchurch, Ōtākaro Limited and the Council in working under the Act; and
- the Global Settlement Agreement reached between the Crown and Christchurch City Council on 23 September 2019, which provides clarity and certainty about what work remains and the Act powers needed to complete it.

2.4 Are there any constraints on the scope for decision making?

To be effective in accelerating the return to local leadership, these amendments need to be in place by the middle of 2020. If legislative change is delayed until after the 2020 election, then the benefits of change are reduced to the point that there is insufficient gains from pursuing legislative changes, compared with the current legislative repeal in June 2021. While the extensions to the land title reconfiguration provisions may still be needed, making these amendments following the 2020 election will make it difficult for LINZ to plan and prioritise the work programme and also reduces the gains from the package of legislative amendments.

To be able to meet this timetable, the proposed changes to the Act need to be simple and straightforward to enable the drafting to be completed promptly. This has influenced the proposed amendments to the Act including limiting the number of areas that are being proposed for amendment.

There was no wider consideration undertaken of wider matters affecting regeneration, including new provisions/interventions.

2.5 What do stakeholders think?

The major stakeholders in this area are:

- Christchurch City Council territorial authority in Christchurch;
- Regenerate Christchurch Crown/Council joint owned-funded body in Christchurch specifically responsible for regeneration;
- Ōtākaro Limited Crown delivery agent for anchor projects in Christchurch;
- Ngāi Tahu- iwi, mana whenua for Greater Christchurch;
- Environment Canterbury and other district councils;
- Minister(s) decision-making powers under the Act, Crown responsibility for regeneration matters, shareholder of RC;
- Crown officials working on Christchurch matters specific responsibility for administration of s71 proposals, regeneration plans under the Act;
- LINZ specific land powers;

Through the recent annual review of the Act views were elicited from all interested parties on legislative change (DPMC, LINZ, Treasury, Ōtākaro Limited, Regenerate Christchurch, Christchurch City Council, Selwyn District Council, Waimakariri District, Environment Canterbury, Te Rūnanga o Ngāi Tahu, DCL, ChristchurchNZ and the Canterbury Employers Chamber of Commerce). Specifically they were asked what they would like and any issues with the current legislation.

There has been no significant opposition to the proposed changes. In undertaking this policy development work officials have discussed with LINZ officials what is required for the extension of the land title reconfiguration powers. Some initial consultation with officials from the Council and Regenerate Christchurch have also been undertaken. Given the timing of the local body elections, consultation with elected officials has not been possible in the timeframes. LINZ emphasised its view that it considers the alternative Ōtākaro Avon River Corridor title reconfiguration mechanisms are workable (if required) if the land provisions are not extended.

The Greater Christchurch Partnership, Chief Executives Advisory Group were also briefed on the changes at a high level, with more detailed briefings to be provided to any who request it. No wider public consultation has been undertaken given the time constraints in developing these proposals.

The proposed changes will not affect the status of Te Rūnanga o Ngāi Tahu as a strategic partner under the Act, but would support a return to normalised planning processes and the role of iwi-local authority relationships in those processes. They will not affect the Crown's existing responsibility to consult with Maori, consistent with the principles of the Treaty of Waitangi, as it continues to progress the transition. The changes will be discussed more thoroughly with Ngāi Tahu should the proposal be progressed. Officials have not identified any significant risk with this, but it should be acknowledged that given the limited consultation there may be some risk attached.

Section 3: Options identification

3.1 What options are available to address the problem?

There are three options (plus the status quo) to address the opportunity/problem which all relate to timing:

- 1. Change the legislation now to remove certain extraordinary powers and extend the land title reconfiguration powers:
- 2. Leave the current provisions in place until their stated date of expiry in the Act (nonregulatory option);
- 2. (b) Wait for further evidence to support extension of the land powers alone; or
- 3. Status quo.

Option 1

Change the legislation now

This would allow for the revocation of the s71 powers that are no longer needed for regeneration in Christchurch, which would accelerate greater Christchurch's return to local leadership on planning matters.

Revocation of the provisions relating to the establishment and operation of Regenerate Christchurch, at this point in time, would allow it to be formally disestablished early. Currently, while it is winding itself down and reducing its functions and delegating these where necessary - formal disestablishment through revocation of the provisions in the Act would mean it would have an end date. This would mean the Crown and Council no longer have to fund it, it is no longer required to meet its corporate reporting functions and its remaining staff would have certainty on their jobs.

Institutional clutter in Christchurch has been noted by all three of the reviews of the Greater Christchurch Regeneration Act 2016, the removal of Regenerate Christchurch would bring the city more in line with local governance structures across the country.

Extension of the reconfiguration powers for land in the Ōtākaro Avon River Corridor, would mean that this work can commence with a clear intention to conclude by the current expiry date (June 2021), but provide a backstop of additional time to reconfigure the land titles should it be necessary.

Option 2

Leave the current provisions in place and use non-regulatory options

Under this option non-legislative means would be used to support the objective of accelerating transition back to local leadership.

Alternative, non-legislative means to address the opportunities and problem identified include:

For revocation of section 71 provisions -

- This would involve agreements outside primarily legislative change. Strategic partners and Regenerate Christchurch (and the Chief Executive of DPMC) would acknowledge the change in Crown role and commitment to standard RMA processes. Through such agreements the parties could state (to the extent possible) that they will not be a proponent for any new section 71 and will not support new section 71s proposed by others.
- Such agreements would not have the weight of legislation change. But, they would be consistent with the overall objective. Non-legislative agreements are also not a mutually exclusive option. They could complement legislative change, particular during the Bill's parliamentary phases.
- We can advise that all the strategic partners² have indicated they have no plans to utilise section 71 powers in the future.

For early disestablishment of Regenerate Christchurch -

alternatives to legislative change involve most of Regenerate Christchurch's activities being transitioned early with the City Council picking up relevant responsibilities should the Board agree. The Act provides for the Board of Regenerate Christchurch to delegate functions and powers to 'any other person approved by the City Council and the Minister' (Schedule 5 clause 32). Also Regenerate Christchurch can make an

² Selwyn and Waimakariri District Councils, Te Rūnanga o Ngāi Tahu , Christchurch City Council and **Environment Canterbury**

agreement with a transferee (including the City Council), to transfer any of its assets and liabilities if approved by the Council and the Minister.³

While some functions cannot be delegated, there are ways to manage them with Regenerate Christchurch retaining a minimal profile after June 2020. However, this is not ideal as the Regenerate Christchurch Board would need to remain in some form to meet legislative requirements. The Board also remains legally responsible for any delegations.

Land title reconfiguration:

from LINZ's perspective the alternative mechanisms available after June 2021 for reconfiguration of titles (using standard business as usual processes) are workable. If the title reconfiguration work is not completed when the powers expire either;

- the Crown uses the closest legislative alternatives⁴ to complete the task; or
- the land is transferred to the City Council 'in its then current configuration' and the Council carries out the outstanding reconfiguration with third party costs reimbursed to it by the Crown (out to 2025 if required).

Note, the financial cost and benefit of extending these powers is not easily assessed (ie the cost of extending Act powers after June 2021 versus alternatives), but LINZ advise that they are likely to be similar.

Option 2(b)

Wait for further evidence to support extension of the land powers alone

This would mean waiting to make any amendments to the Act until late in 2020 when there will be clearer evidence available to establish whether there is a need to extend the land title reconfiguration powers. Would not address need to revoke section 71 powers or disestablish Regenerate Christchurch.

This would not accelerate the transition to local leadership on regeneration in Christchurch. It would also reduce the potential benefits of any proposed revocation or extension of provisions, and is unlikely to leave sufficient time for legislative change if the land powers do indeed need to be extended.

Delay with the decision on whether or not to extend the land title reconfiguration provisions, will put pressure on LINZ as it seeks to complete the reconfiguration within the allotted timeframe of the legislation while also dealing with the uncertainty of whether the legislation will be extended. However, there are fall back options already in place under the Global Settlement Agreement, providing alternatives for reconfiguration should the legislation expire prior to completion of the reconfiguration.

The benefits of the other proposed changes would also be significantly reduced by a delay, and would in fact not be worthwhile. A decision to proceed with the other proposals would

³ Section 138 GCR Act

⁴ Likely to be the Public Works Act 1981 and/or the Land Act 1948

mean that officials are not expending significantly more resource by adding the extension of these powers to the proposed legislative amendments.

Option 3

Status quo

This would maintain the current provisions for section 71 powers and Regenerate Christchurch and would not extend the land title reconfiguration powers.

3.2 What criteria, in addition to monetary costs and benefits, have been used to assess the likely impacts of the options under consideration?

- Enabling local decision-making/local leadership accelerating the return to local leadership and not retaining or extending extraordinary powers past the point they are no longer required, while not burdening local leaders with unforeseen additional costs;
- Time/speed bill will allow for a quicker transition to local leadership while allowing additional time, if required, to complete title reconfiguration work;
- Clarity/certainty will provide certainty for Christchurch on who is leading regeneration and the Crown's commitment to returning greater Christchurch to local leadership and that it will work to meet its obligations under the Global Settlement Agreement. As well as providing certainty for staff at Regenerate Christchurch, the Council and within the Crown; and
- Monetary can save on costs of funding Regenerate Christchurch, administering functions under the Act, provides the Crown with more options as to how it will most efficiently deliver its obligations under the global settlement. However, if completed by Crown prior to transfer, then the Crown would not be exposed to potential third party costs of Council reconfiguration out to 2025, which are uncertain.

In terms of weighting of the criteria, the greatest weighting has been placed on the acceleration of the return to local leadership criteria - enabling local decision-making/local leadership and time/speed. These are the key drivers for decision-makers at this point, to end some of the extraordinary powers in Christchurch and to do so as quickly as possible.

Clarity and certainty for local entities and communities is next in terms of weightings. It is an outcome of the changes that will be appreciated, but is not the overall driver of the proposals.

Monetary benefits has the lowest weighting. Costs are not the key objective of these changes, but where savings can be made these will be beneficial and any additional costs identified from the changes have been noted as being limited and often already contained within current baselines/spending of the effected entities.

3.3 What other options have been ruled out of scope, or not considered, and why?

Options that have been ruled out generally relate to review of the entire Act regime. Instead, the scope of analysis has been constrained to partial amendments. In particular, options in theory include:

- Repeal the entirety of the Act early this option is not considered tenable as there are a number of aspects of the Act which are still required for regeneration and to meet ongoing Crown obligations, including supporting implementation of the global settlement, acquisition of central city land, and delivery of the anchor projects
- Review the whole Act and replace it with new legislation this option is not considered:
 - o feasible within the timeframes required to meet the policy objectives;
 - useful or fit-for-purpose when discrete amendments can be made that address the policy problem;
 - o appropriate given that this would essentially suggest a longer-term extraordinary role for central government leadership in Christchurch (with a continuation of extraordinary powers), which is unlikely to be palatable, and is inconsistent with the policy objectives to provide a 'step change' to local leadership.

Other options that have been considered include additional discrete amendments to the Act - for example, early repeal of powers other than section 71, such as developing/amending regeneration plans, or the land-related powers. This was not considered appropriate due to, for example:

- The ongoing need for a number of the powers, in the interests of ongoing regeneration needs, by allowing the Crown to complete its existing obligations (consistent with the recommendations of the annual Act review)
- The appropriateness of retaining in statutory effect a number of existing recovery and regeneration plans, and retaining tools to amend those plans if required

Section 4: Impact Analysis

Marginal impact: How does each of the options identified at section 3.1 compare with the counterfactual, under each of the criteria set out in section 3.2?

Key:

- much better than doing nothing/the status quo ++
- better than doing nothing/the status quo
- about the same as doing nothing/the status quo 0
- worse than doing nothing/the status quo
- much worse than doing nothing/the status quo

	Change the legislation now	Leave the current provisions in place and use non-regulatory options	Wait for further evidence to support extension of the land powers alone	Status quo
Enabling local leadership	Advantage of removing extraordinary powers, and early disestablishment of a Crown/Council organisation Accelerates transition to full local leadership of regeneration	Would not formalise the shift, leaving powers and Regenerate Christchurch still in place. Similar to status quo rely on cooperation and the transition plan for Regenerate Christchurch to enable local leadership	Would retain regeneration responsibilities, including Regenerate Christchurch and the extraordinary powers will remain in place.	No change to current responsibilities for regeneration. Still have Regenerate Christchurch, so still a number of institutions responsible in Christchurch for regeneration governance. Retain extraordinary power under section 71 to make changes to planning documents
Timeliness	+ Accelerates the return to local leadership – revocation of s71, disestablishment of Regenerate Christchurch and provide	+/0 May produce a slight improvement on the timeliness for the transition to local leadership, but relies on entities	Not timely – risk of delay as may not get legislative changes made after 2020 General Election even if extension of	No improvement of timeliness

	enough time to complete reconfiguration works	agreeing to step back from legislative roles	powers becomes necessary.	
Clarity/Certainty	+	0	0/-	+/0
	Provides certainty on the Crown's early withdrawal from the regeneration of the City (s71 proposals and Regenerate Christchurch) and also supports the position that the Crown is committed to the reconfiguration of the titles as agreed under the global settlement Increases certainty to staff of Regenerate Christchurch, the Council and the Crown on their roles	Still clear when the provisions in the Act will conclude. But does not provide accelerated clarity for local entities/communities prior to expiry in 2021	Act not changing – powers not being revoked, same as status quo. Not clear if or when land powers may be extended, creates negative impact on LINZ and Council work programmes.	Still clear when the provisions in the Act will conclude. But complication of Regenerate Christchurch still existing remains
Monetary	Savings for the Crown from not having to administer section 71 proposals and discontinuation of funding for Regenerate Christchurch. Possible continuation of work on title reconfiguration, could incur further costs. However, the intention is that the additional time will not need to be used in which case cost	h/0 No planned section 71 proposals emphasised through MoUs with proponents. May be a reduction in Regenerate Christchurch required funding as functions transferred/wound- down through required transition plan. Neutral costs compared to status quo for land title reconfiguration (LINZ advise this is just potential change in	Same as status quo and given potential delay to any changes, would result in limited financial benefits but also no additional costs anticipated	Still need to provide administrative support for any section 71 proposals, funding of Regenerate Christchurch, funding and costs to extent agreed for reconfiguration of titles Remains uncertain if land title reconfiguration not completed by June 2021 (costs may extend on to 2025)

	neutral. There are some costs associated with administering legislative change, however staff are available to undertake this work within baselines.	who is undertaking it, which is the same as status quo)		If the Crown does not complete the reconfiguration work the Council will and there is a risk that the provision for it under the global settlement may have unforeseen costs associated (where Crown would carry third party costs out to 2025 on a potentially ad hoc basis. Although noting ideal is for all reconfiguration to be completed by June 2021.)
Overall assessment	Has benefits in terms of the opportunity to accelerate the return to local leadership and reduction in Crown extraordinary presence in Christchurch. Also provides support for the Crown's title reconfiguration work in the Ōtākaro Avon River Corridor, reducing the Crown's potential long-term exposure in this area under global settlement.	Will mean that the opportunities are not able to be fully realised in an uncomplicated way. Potential lack of clarity around leadership and completion of land title reconfiguration	Benefits are neutral or negative compared to the status quo Main advantage is better understanding of whether an extension of reconfiguration powers are required before administrative resource is expended Creates uncertainty (including to LINZ's and the Council's work programmes) if there is the possibility of a later change to the legislation	Position same as currently. Does not accelerate transition to local leadership and does not clarify responsibilities – Regenerate Christchurch remains even with a reduced role through a transition plan. Costs are as currently.

Section 5: Conclusions

5.1 What option, or combination of options, is likely best to address the problem. meet the policy objectives and deliver the highest net benefits?

Preferred option is Option 1 – make the proposed amendments now

This is considered the best option as it accelerates the return to local leadership for regeneration through the early disestablishment of Regenerate Christchurch and revocation of section 71 powers - thereby removing the extraordinary Crown presence at the point that it is no longer required and setting a precedent for prudent Crown involvement. Doing this a year earlier than currently provided by the Act, is a clear signal that the Crown is actively working to accelerate the transition of Christchurch back to local leadership.

It will also provide for the extension of the land title reconfiguration powers, reducing the risk that this work is not completed by the expiry date of 30 June 2021 thereby reducing the Crown's uncertain fiscal exposure associated with the Council potentially reconfiguring the land under the Global Settlement Agreement to 2025.

It will provide clarity on local leadership on regeneration and some monetary benefits through reducing the amount of funding required and providing certainty for the programme on land title reconfiguration.

The other options analysed will not meet the key criteria of timeliness and the return to local leadership. The use of non-regulatory means (and leaving the Act as it is) relies on cooperation of other local entities. The status quo would not show any acceleration and the option of delaying and arranging the need for legislative chance post election would only address the extension of the land title reconfiguration powers – with no benefit from early revocation of provisions.

5.2 Summary table of costs and benefits of the preferred approach

Affected parties (identify)	Comment: nature of cost or benefit (eg ongoing, one-off), evidence and assumption (eg compliance rates), risks	Impact \$m present value, for monetised impacts; high, medium or low for non-monetised impacts	Evidence certainty (High, medium or low)
Additional costs of	of proposed approach, compared t	o taking no action	
Regulated parties	Council – May assume more costs through	Scale of costs not clear – dependent on specific	Low

	standard planning processes versus being able to use the extraordinary planning power (s71) which requires less public consultation and limited appeal rights	circumstances	
Regulators	DPMC/LINZ – Cost of completing the Bill process, (although cost is within current baseline funding) More time to complete reconfiguration of land titles. Potential increased resourcing / overheads for LINZ if holding land post June 2021, which may not be able to be met within baselines.	Nil to low impact - costs not clear — within baselines, except for potential for LINZ to hold land post 2021	Medium
Wider government	Costs of participation in legislative process	Costs expect to be low (if any) not clear – within baselines, unlikely to be significant	High
Other parties	Parties wanting plan changes that have regeneration benefits will not have the benefit of extraordinary powers administration support for that process (compared to business as usual process)	Costs not clear	Low
Correction: the developer was charged a portion of the costs.	(s71 administration costs were in part carried by the proponent and Crown, rather than using standard processes where all costs are on the developer. Although it is noted that in one case (Yaldhurst) a developer was charged by the proponent (Council) for costs)		
Total Monetised Cost		Low	
Non-monetised costs		Low	

Expected benefits	of proposed approach, compared	to taking no action	
Regulated parties Regulators	Council – no risk of extraordinary powers initiated by other parties. No longer needs to fund RC, reduced risk of having to undertake reconfiguration of titles in Ōtākaro Avon River Corridor (although the Crown would reimburse third party costs) Regenerate Christchurch – ceases to exist Crown (DPMC) - No longer have to process s71 proposals, no longer need to fund RC,	\$1 million (cost per annum of funding Regenerate Christchurch + associated administration costs with Board appts etc) No ongoing costs, assets/left over funds returned Cost of administering s71 proposals (2 FTE staff, \$200,000+))	Medium
	more time to complete land title reconfiguration if required (LINZ) no annual review of the Act to fund	\$4 million (cost per annum of RC + associated costs 1 FTE for monitoring (\$100,000) Cost of completing annual review	
Wider government	Less institutions in Christchurch – greater institutional clarity		Medium
Other parties	Christchurch public - Less risk of use of extraordinary powers with reduced opportunities for public comment Less institutions in Christchurch – greater clarity on who is leading regeneration		Low
Total Monetised Benefit		Low (\$5 million for Crown/Council for no longer funding Regenerate Christchurch)	

Non-monetised	Medium	
benefits		

5.3 What other impacts is this approach likely to have?

In initiating a bill process, there is a risk that individuals or organisations may wish to expand the scope of the proposed changes to address issues or problems that are outside the scope of the purpose of the Act and/or the policy objectives for changes - for example, during the select committee stage. This could protract the process and/or reduce the efficacy of the bill.

There is a small risk that initiating a bill process could be seen to disincentivise the need for key partners to focus on completing key actions within the current lifetime of the Act, by suggesting the land title reconfiguration powers can be around for longer than originally intended. LINZ will be reliant on a sense of urgency from the Council for title reconfiguration in the Ōtākaro Avon River Corridor if it is to complete this reconfiguration by June 2021, which is the aim. However, given that there will be uncertainty about the outcome of a bill process until enactment, we consider this is a low risk and note there are other incentives (including the Global Settlement Agreement and potential impacts on its forward infrastructure programme) for both the Crown and Council to maintain the commitment to early completion of reconfiguration.

5.4 Is the preferred option compatible with the Government's 'Expectations for the design of regulatory systems'?

Yes, the proposals are compatible with the Government's expectations.

The Government expectations include seeking to remove or redesign existing regulatory systems if they are no longer delivery obvious net benefits.

As the proposals relate primarily to the revocation of extraordinary powers and the ongoing existence of a Crown-Council institution, and the limited extension of other existing powers (geographically and time bound) to ensure overall momentum on transition is maintained. this is consistent with the expectations.

Section 6: Implementation and operation

6.1 How will the new arrangements work in practice?

Intention is to have a bill to amend the Act to revoke sections no longer necessary and to extend other sections. The intention is for the Bill to:

- remove an extraordinary Ministerial power;
- disestablish Regenerate Christchurch early;
- extend the land reconfiguration provisions (limited geographically and in time); and
- remove two matters relating to administration definition of residential red zone land and remove the need for an annual review of the Act.

Removal of the extraordinary power, will return planning functions to standard processes through local government authorities. No issues are foreseen with this. There is some concern that loss of the section 71 power does take away the ability to make quicker, easier changes on some issues (such as carparking requirements in Lyttelton, which are currently being addressed through the section 71 process); however, at this stage no examples have been identified which would require the use of section 71 in future. Additionally, there are standard processes to deal with these matters and it returns greater Christchurch to the same processes as other local authorities.

Disestablishment of Regenerate Christchurch early will require some work to conclude its functions and to transfer any assets or liabilities. However, in the Global Settlement Agreement it was decided that a transition plan needed to be put in place to begin winding up its functions as much as possible under the current legislative provisions, including transferring of functions to the Council; therefore, no significant implementation issues or costs are seen with this amendment and it is likely to simplify and complement an existing process rather than providing any additional complication.

Extension of the provisions relating to land title reconfiguration will just be a continuation of the current arrangements and is only being proposed to provide a backstop of an additional year (to 30 June 2022) for these provisions to be used if necessary.

Removal of the section defining 'residential red zone' is a consequential amendment as it will not be necessary to have this definition following the disestablishment of Regenerate Christchurch. The removal of the annual review provision recognises that the majority of the Act will still expire on 30 June 2021 and there is limited value in a review in 2020, and costs savings in removing this request.

Timing

There are no identified issues with the timing for implementation of the proposed amendments, however there is a reduced benefit to the changes if the bill is not able to be enacted by June 2020. The benefit of revoking sections is limited where there is less than a year until the intended expiry of provisions. In particular the benefit of disestablishing

Regenerate Christchurch is diminished where it cannot happen prior to the end of September 2020, as less than nine months remaining reduces the savings that will be made.

There is a risk that transitional arrangements may be needed should a section 71 proposal be initiated before the clauses are revoked. The current section 71 proposals which are in process will be completed by the end of 2020 so are not a concern and we are advised that no further section 71 proposals are planned by any proponent under the Act. So the risk here appears to be low but it may be necessary to clarify the treatment of any proposals in train.

Other agencies/organisations' involvement

There will be work for the Christchurch City Council with the transition of Regenerate Christchurch, however as this is already underway this is not seen as significant. The extension of the land reconfiguration powers may result in ongoing work for LINZ beyond June 2021. But the extension will only be used if absolutely necessary. Should the land have to transfer from the Crown to the Council prior to it being reconfigured, there are provisions for this in the Global Settlement Agreement that LINZ are aware of and comfortable with.

6.2 What are the implementation risks?

There are no significant implementation risks with the proposals.

As noted in 6.1 there is a risk that a section 71 proposal is submitted while the Bill is in process and that this might require a transitional provision. However, none of the possible proponents of a proposal under the Act have advised that they are pursuing or are aware of any proposals.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?

Monitoring of progress on regeneration will continue to be undertaken by local agencies, and the Act is administered by DPMC. Monitoring requirements of the specific proposals is low as they are primarily revocations and LINZ will report on land title reconfiguration through the Global Settlement Agreement.

The Global Settlement Agreement requires a Working Group to be established including representatives of both the Crown and the Council to work through the details and structure for undertaking the reconfiguration works. Given both parties interests in completing the reconfiguration and the related transfer of the land, it is not anticipated that either has in interest in any unnecessary delays to this work and therefore, oversight of the work will be maintained by both parties throughout.

7.2 When and how will the new arrangements be reviewed?

One of the proposals is to remove the need for an annual review to be undertaken of the Act. It is not proposed to introduce a new requirement for reporting beyond department reports on the Act.

The intention here is to revoke and amend provisions either early or a limited extension. Given the limited time periods involved (around two years post implementation) it is not considered necessary for a formal review to be undertaken.