

# Media Release

## Decision on uninsured, vacant and commercial land to wait for Supreme Court ruling

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A decision about the Crown offer made to owners of uninsured, insured commercial or vacant land of the residential red zone in the flat land will not be made until pending Supreme Court action is completed, says Canterbury Earthquake Recovery Authority chief executive Roger Sutton.

During last year's Court of Appeal hearing the Crown said it would reconsider the original offers made to owners of flat land red zone properties in accordance with the statutory framework.

Owners of vacant land and properties with uninsured homes had been offered a purchase price of 50 per cent of the 2007/2008 land valuation. Insured commercial properties were offered 50 per cent of the land value and 100 per cent of the value of the insured buildings.

The offer to purchase red zone properties included purchasing insurance claims. As the uninsured had no insurance claims, including land insurance covered by EQC, the offer was less.

"So we offered 50 per cent in most cases and we deemed that to be a generous offer on behalf of the taxpayer - considering we had no way of recovering it," Mr Sutton said.

"It is a different situation to that where insured properties and insurance claims are purchased by the Crown. In those instances insurance proceeds recovered by the Crown offset the cost of the purchase by contributing to the Crown funds."

Mr Sutton says the process is designed to be as fair as possible to taxpayers.

"Following the ruling from the Court of Appeal, I have been working through the options. However in the circumstances I have decided that a final decision regarding any new offer and any terms on which that might be made, should be deferred until the legal position has been clarified by the Supreme Court. And this will mean that owners of the vacant, uninsured and insured commercial land in the Port Hills will not receive an offer yet either."

The Supreme Court is considering whether it is appropriate to differentiate between insured and uninsured, and also the scope of the Crown's common law powers.

"Essentially if we decided to change our offer we would need to make that fair for the people who have already accepted the 50 per cent offer. We do not know if the Crown has the ability to make top up payments outside the statutory framework, so the Supreme Court hearing will make that clear for us."

Mr Sutton says it is important to understand that there is no guarantee of an increased offer.

"The judgment from the Court of Appeal simply required us to reconsider the decision and offers with regard to the purposes of the Canterbury Earthquake Recovery Act."

The Supreme Court hearing is set down for two days in July, but a time frame for releasing its decision is a matter for the Supreme Court.