



Office of Hon Gerry Brownlee

MP for Ilam

Minister for Canterbury Earthquake
Recovery

Minister of Defence

Leader of the House

Minister Responsible for the Earthquake
Commission

10 JUN 2015

Leighton Fletcher
fyi-request-2641-c411090e@requests.fyi.org.nz

Ref: OIA 2015/51

Dear Mr Fletcher

Thank you for your Official Information Act 1982 (the Act) request, received on 22 April 2015. You requested the following:

"...a break-down of the costs to date (for the government, tax-payer, or otherwise funded) in opposing the claim by the "Quake Outcasts" for full payout on their properties.

This would include costs for all court proceedings, any consultants, time for staff, etc.

Additionally, what is the \$ figure (based on the 2007 valuation amounts) that is under dispute? i.e. the difference between what has been paid out, and the 50% of the valuation that has not."

Your request for a breakdown of costs is refused under section 18(e) of the Act because the information does not exist in the form in which it has been requested.

It may be helpful if I explain that there were two judicial review proceedings heard together in the High Court, the Court of Appeal and the Supreme Court. At the Supreme Court, the proceedings were identified as SC 5/2014 Quake Outcasts v Minister for Canterbury Earthquake Recovery and SC 8/2014 Fowler Developments Ltd v Chief Executive of the Canterbury Earthquake Recovery Authority. As these matters were considered together, their costs are intertwined to the extent that I cannot provide you with the isolated costs of the Quake Outcasts' proceedings.

I can advise that as at 31 March 2015, the following costs (rounded to the nearest \$100 and excluding GST) had been incurred by the Crown in respect of both proceedings:

Year ended 30 June 2013	\$28,000
Year ended 30 June 2014	\$468,600
Year to 13 March 2015	<u>\$86,300</u>
Total	\$582,900

Please note that the costs include disbursements (including administration, travel and accommodation) to the extent that they relate solely to the proceedings mentioned above. Neither expenses incurred by Canterbury Earthquake Recovery

Authority (CERA) staff travelling for multiple purposes or meetings, nor staff time costs are included in the above amounts; CERA does not operate an internal charging system that enables apportionment of those costs.

The *Quake Outcasts and Fowler v Minister for Canterbury Earthquake Recovery* Supreme Court judgment on 13 March 2015 ordered costs against the Crown as set out in the decision. Some of those costs have not yet been paid and are, therefore, not included in the present total.

In relation to your question about the amount under dispute, please note that Crown purchase offers for residential red zoned properties in the Christchurch City Council catchment area were based on 2007 rates valuations, whereas Waimakariri District Council catchment area valuations were based on 2008 rates valuations. Please also note that the figures provided below are subject to as further information becomes available. This is because calculations are based on the information CERA has about properties at a particular point in time.

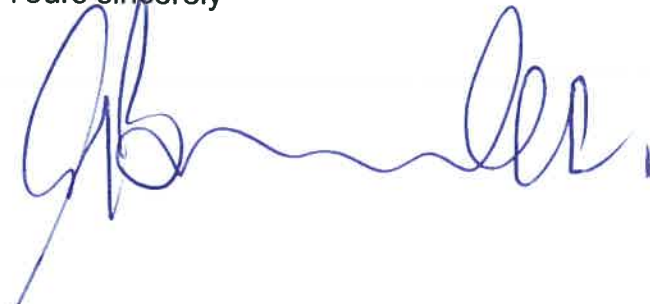
When properties were classified as being within the residential red zone, and before an offer for purchase could be made by the Crown for them, the property owner needed to give written consent for the Crown to make an offer. CERA did not receive responses for every property and so needed to make some assumptions as to the number of titles on each property, the insurance status of the property and the property's primary use. As CERA learns more about these properties the data and the figures associated with them change.

I am advised that, as at 31 March 2015, the total rates valuation of property in the residential red zone (both in the flat lands and the Port Hills) identified as being vacant, uninsured or commercial property (and thereby ineligible for the Crown offer to purchase at 100 percent of RV) was \$98.390 million.

As at the same date, of those that had been extended an offer by the Crown to purchase their property at 50 percent of the property's land value, settlements totalled \$12.790 million.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA.

Yours sincerely



Hon Gerry Brownlee
Minister for Canterbury Earthquake Recovery