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31 October 2011

Canterbury Earthquakes Royal Commission
PO Box 14053
Christchurch Mail Centre 8544

Attn: S Jamieson

Dear Madam

**ROYAL COMMISSION OF INQUIRY INTO BUILDING FAILURES CAUSED BY THE
CANTERBURY EARTHQUAKES: UNREINFORCED MASONRY (URM) AND EARTHQUAKE
PRONE BUILDING POLICIES**

I refer to your letter dated 27 October 2011. Pursuant to section 4C of the Commissions of Inquiry Act 1908, the Hurunui District Council (the Council) would like to provide the Commission with following information:

1. *Has your Council taken any steps to review any aspect of its earthquake prone policy since the Canterbury Earthquakes occurred?*

Yes. The Council's Earthquake-prone, Dangerous and Insanitary Building Policy was first adopted in May 2006. The Building Act 2004 requires the Council to review this policy within five years of adoption. The Council carried out a review and adopted an amended policy on 30 June 2011.

- b. *If the answer to (1) is yes, what steps have been taken?*

Summary of 2006 policy

The 2006 policy introduced a 'passive approach' to identifying and assessing earthquake-prone buildings. This policy was triggered through the building consent process. The implementation of this policy previously involved:

- When an application for consent for a significant alteration to a building was received, the building owner was required to provide a report on the strength of the building. If the building strength was less than 33% of the building code the building was required to be strengthened to at least 33% of the building code as part of the building consent.
- When an application for a consent involving a change of use was received, the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable to the strength of a new building were followed.

In the case where owners withdrew a consent application, the Council would serve formal notice requiring work to be carried out on the building, within a time stated in the notice. Timeframes were dependent on the importance of the building and fell into one of four categories which follow the Department of Building and Housing's guidelines and ranged from 15 to 30 years.

In addition a statement on all LIMs and PIMs was included to make readers of these documents aware of the Earthquake-prone, Dangerous and Insanitary Building Policy, and how it could affect them.

Summary of 2011 policy

The 2011 review of the policy resulted in an 'active approach' being adopted. The implementation of the policy now involves:

- An initial desktop review by Council building officers to ascertain possible earthquake-prone buildings. A list is currently being collated with buildings falling into one of four categories which follow the Department of Building and Housing's guidelines. Follow-up investigations will be prioritised according to these categories. The desktop review has been scheduled to be completed before the end of 2013.
- Once the desktop review has been completed, a programme to carry out an initial evaluation of performance in an earthquake by using the NZSEE Initial Evaluation Process (IEP) methodology will be undertaken from 2014 to 2016. If the IEP identifies that the building is likely to be earthquake-prone, further assessment may be required.
- The Council will write to owners of buildings the IEP has identified as likely to be earthquake-prone, advising them of this status and providing them with an opportunity to discuss options.
- Owners may be required to do a detailed assessment on buildings identified as likely to be earthquake-prone in the IEP, unless otherwise agreed in discussion following the IEP. This detailed assessment must be administered by a suitably qualified person – i.e. a Chartered Professional Engineer with expertise in Earthquake Engineering.
- If this assessment finds a building to be earthquake-prone, action will then involve Council serving formal notice requiring work to be carried out on the building, within a time stated in the notice, to remove or reduce the danger accordingly, by strengthening the building to at least 67% of the current building code where practicable. Timeframes are dependent on which category the building falls into and range from 15 to 30 years.

In the meantime and in addition to the above:

- When an application for a consent for a significant alteration to a building is received, the building owner would be required to provide a report on the strength of the building. If the report deems the building strength to be less than 33% of the building code the building would be required to be strengthened to at least 67% of the current building code where practicable as part of the building consent or within a timeframe agreed with the Council.
- When an application for a consent involving a change of use is received the requirements of the Building Act for the building to be strengthened to as near as is reasonably practicable the strength of a new building would be followed.

In addition, a statement on all LIMs and PIMs makes readers of these documents aware of the Earthquake-prone, Dangerous and Insanitary Building Policy.

2. *If your council has taken steps in relation to its earthquake prone policy since the Canterbury Earthquakes, or intends to do so, please advise to what extent your Council has or intends to consult with the following groups:*

- *Property owners*
- *Tenants*
- *The community generally*

The Council carried out a month long period of consultation which followed the Special Consultative Procedure of Section 83 of the Local Government Act 2002. This involved:

- Sending a letter which included a summary of information and statement of proposal to all business ratepayers, hall and reserve committees of the Council and church owners, requesting their feedback on the proposed changes to the policy.
 - Making the proposed policy available for public feedback from 9 April 2011 to 9 May 2011 with a public notice being displayed in the Christchurch Press and Northern Outlook on Saturday 9 April 2011 and the Hurunui News on Thursday 14 April 2011.
 - In addition an editorial appeared in the Hurunui News on Thursday 14 April 2011 and a media release occurred the same day advertising the proposed changes to the policy and the implications for the Council, the community and business owners. Posters were displayed at all the Council's libraries and service centres.
 - During the consultation period, all Council service centres and libraries held copies of the statement of proposal, summary of information and copies of the 2006 policy and the proposed policy for the public to view.
 - The Council appointed its Regulatory Committee comprised of all Councillors to hear and consider submissions received on the policy. The committee then made a recommendation to Council on the decision.
3. *The Royal Commission would like to receive any information you may have, bearing on whether insurers are taking a more demanding approach to the earthquake strengthening of existing buildings following the Canterbury Earthquakes.*

The Council's insurance premiums have sky rocketed. Our 2010/11 premiums totalling \$178,171 rose to \$504,672 for 2011/12. The material damage premium component within the above figures increased from \$73,551 to \$282,840. Business interruption premiums rose from \$8,376 per annum to \$30,442 per annum.

Yours sincerely



Judith Batchelor
Manager Environmental Services