

JUSTICE COOPER:

Today the Royal Commission begins the first of the hearings that will examine the failure of buildings whose collapse on the 22nd of February caused loss of life and injury. Eighteen lost their lives in the PGC building and we extend our
5 deep sympathy to their families and friends. Many others were injured, some very seriously. Although they live on, the lives of some have been profoundly affected by their injuries and we acknowledge their ongoing suffering, and we remember too their partners and family members whose lives have also been changed forever.

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Our processes have the goal of advancing the understanding of why the building collapsed and for some who are grieving and suffering it may appear to be a clinical exercise. I want to assure you however that we do not embark on the process without an appreciation of the emotional toll these events have
15 had on those directly affected. Many of you are here today and we welcome you to this hearing.

1117

MR MILLS CALLS20 **ROBERT WYNN (SWORN)**

Q. Your full name is Robert Desmond Wynn?

A. That's correct, yes.

Q. You live in Christchurch?

A. Yes, yes I do.

25 Q. And by training you are an electrical engineer at Beca in Christchurch?

A. That's correct. More precisely Power Systems.

Q. Power Systems?

A. Yeah.

Q. Is that a division of –

30 A. A derivative of electrical engineering, yes.

Q. And at the time of the 22nd of February 2011 earthquake you observed directly the collapse of the building?

A. Yes I did.

Q. I take it from the written brief we've got here that you were sitting in the Beca offices and that is directly across from the building?

A. Um, more or less, a little bit diagonally across, sort of facing north.

Q. I take it it's on the fourth floor of the Price Waterhouse building?

5 A. Yes, my office is right on the corner of the Price Water..., well was right on the corner of the Price Waterhouse building.

Q. And that building is on Armagh Street?

A. Yes.

Q. Have you got the written statement there that you prepared?

10 A. Yes I have.

Q. Probably the easiest thing then would be to just ask you to pick that up and read it through from paragraph 4 but feel free as you go along to elaborate on it if other things occur to you. The Commission really just wants to hear in your own words what you observed on that day.

15 A. Sure. My desk is at the north-east corner of the building and my view was out towards where the PGC building stood on Cambridge Terrace. I had my head, at the time of the earthquake when it initially started, I had my head down and I was looking at some drawings and initially I thought it was just another aftershock but as most of the time you'd

20 pause and, um, just wait to see whether or not the aftershock grew in intensity and as it grew in intensity I remember looking out the window to see whether or not I could see some, anything that was moving. I saw some parked cars on the road sort of directly in front towards the Oxford Restaurant. They started wobbling around and out of the corner

25 of my eye I noticed the Pyne Gould building collapse. My view of the actual building was partially obscured by some trees over the river so I could see directly the top two floors plus the mechanical services building that's located on the top of the building, and I could see it drop, and it, um, and it fell very quickly, it's like a controlled demolition type

30 collapse, it was very catastrophic and as it dropped the, um, I remember seeing the, um, the sort of mechanical services building on a fall and sort of lurch eastward towards Manchester Street, and, um, yeah, so that was really the extent of what I saw of the collapse. The, yes, and it flattened itself as it went down, tilted and rotated as it fell, yeah that's

what it – that's what I saw. I think at the - the Manchester Street side of the building collapsed quicker than the Colombo Street side and it seemed to pull the Colombo Street side around so it rotated as it fell which is what I've already said initially. My recollection is that the building collapsed between five to eight seconds after the shake started and it was after the shake, the shaking it really groaned to its, it was at its intense or - after I saw the Pyne building collapse, I got up, picked some belongings and, ah, told everybody to leave and took the stairs down to the ground floor and left, exited the, our building out on the Armagh Street side. I then made my way around through Victoria Park, up, um, the street to our meeting place just on the other side, on the Oxford Terrace side of the Price Waterhouse building and that's at about the moment, well that's when I saw that the building, initially I assumed that the building would have just totally pancaked and that the collapse sort of started from the ground floor, but that's when I noticed when looking across the river, that, um, it was actually sort of at the first level above ground where the building sort of collapsed from, the ground floor looked what, not okay but not as damaged as what you would have thought, and that was also at the time where I, where there was a fairly large aftershock that occurred and at the time I was actually looking at the Price Waterhouse building and, um, I noticed that the building was moving primarily to east west, but it was also twisting as well at the top of the building.

25 **JUSTICE COOPER:**

Q. So which building are you talking about now?

A. Oh, I'm talking about the Price Waterhouse building, yeah.

EXAMINATION CONTINUES: MR MILLS

Q. Which is the building you'd just vacated?

30 A. That's correct. Yes, so – and I estimated that the building would have been moving about a metre at the top, but that was just from a ground level observation. Afterwards I took some photographs and then

realised that the ground floor had not collapsed, my conclusion was that the failure appeared to be on the first floor.

Q. Thank you Mr Wynn, do the Commissioners have any questions.

5 **JUSTICE COOPER:**

Q. Yes, you referred to the Colombo Street side of the building; I take it that you're really referring to the western wall?

A. That's correct.

Q. Yes.

10 A. In my interview I was referring to Manchester Street and Colombo Street side as opposed to east and west –

Q. Yes.

A. - same difference.

Q. Do you have any questions Commissioner Carter?

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COMMISSIONER CARTER:

Q. Could you just run over that sequence again of the tilting that occurred towards Manchester Street I think you said, was that –

20 A. Well the collapse was very quick, it's like what you would see on television when you see a controlled demolition, but as it collapsed it appeared to drag the – because I could only observe the top two floors it appeared to drag the core over towards –

Q. Manchester –

25 A. East. Eastward and it kind of, it appeared to rotate the building as it collapsed, it was very sudden and sort of a kind of a rotating at the same time.

QUESTIONS FROM COMMISSIONER FENWICK – NIL

30 **QUESTIONS FROM OTHER COUNSEL - NIL**

WITNESS EXCUSED

COMMISSION ADJOURNS: 11.26 AM

COMMISSION RESUMES: 11.45 AM**MR MILLS CALLS****5 HELEN LINDA GUINEY (SWORN)**

Q. Thank you for coming. Your full name is Helen Linda Guiney?

A. (no audible answer 11:47:05)

Q. You are a resident of Christchurch?

A. (no audible answer 11:47:06)

10 Q. And you work for the Perpetual Trust Limited as an accounts administrator?

A. I do.

Q. You have been with that company since February 1998?

A. Yes.

15 Q. Have you got the written statement that you prepared?

A. Yes I do.

Q. What I am going to ask you to do, if you would not mind, probably the easiest thing for you is to... well, read it I suppose but if there are points that you want to put in your own words as you go through that then you should feel free to do that. There are also one or two points where I will be asking you to perhaps clarify some issues and in case it becomes relevant and helps you will see up there on the screen is what I would call a birds-eye view of the PGC building so when you are talking about where you were and so on I might just ask if you can identify on that. So if you then just pick up with your statement at that third paragraph and take us through it.

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A. Soon after I started with –

Q. Sorry the paragraph before that.

A. At the time of the Canterbury earthquakes Perpetual Offices were situated on the first floor of the PGC building in Cambridge Terrace. I'd worked in the building since I'd started with Perpetual. My understanding is that Pyne Gould Group of which Perpetual is a subsidiary moved into the building in December 1997 shortly before I

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started with Perpetual. Soon after I started I became involved with work health and safety committees. At the time of the 4th of September 2010 earthquake I was on the Perpetual health and safety committee with Narelle Fawcett and James West who was the chairperson in our Christchurch office. The company also nominated me as Perpetual liaison person to deal with building related issues on the first floor with Harcourts, the property managers. Prior to the 4th of September earthquake there was nothing in particular that concerned me about the building or that I noticed. After the 4th of September my recollection is that I, together with other staff, returned to work in the building three days later, that was on the Tuesday, there was another significant shake on the Wednesday the following day, the 8th, about 7.50 as I arrived at work. I didn't go into the building that day. I remember being immediately struck by, to me, a large crack across the wall of the mail room. It backs onto the main support wall in the centre of the building which contains the lift shaft.

Q. I wonder if, is it possible for you to identify by reference to that screen where it is that you are describing?

A. Yes, mail room was in this area over here. It was along this wall here so I would say that –

Q. So that is the west wall of the centre –

A. Yes it is.

Q. – core?

A. Yes.

Q. Down to a few days later.

A. Sorry, um, a few days later an inspector came to look at the cracks on our floor. I saw him in the mail room where he was checking the crack using a laser beam. I asked him about the crack because to me it was significant and he said it was just a surface crack, nothing to worry about. I also recall James West being in the mail room at the time. That was the only time I saw an engineer or inspector on our floor between September and February, that's not to say that they didn't come in but nobody reported to me. I heard that some of the ceiling tiles came down on the 4th floor in the September earthquake and that they were quite

heavy. These were replaced. Other than the crack in the mail room and the toilet block which was essentially the same core, um, there was not much damage to our floor at all.

5 Q. Can I just ask you about that because you add there about cracking in the toilet area.

A. Mmm.

Q. Can you describe that cracking?

A. The cracking was more around, well to my knowledge, on the inside of the ladies toilet which would be this wall here.

10 Q. The west wall again?

A. Yes.

JUSTICE COOPER:

At the northern end there.

15 EXAMINATION CONTINUES: MR MILLS

A. At the northern end, yes, and there were horizontal cracks not vertical cracks.

Q. You were at Boxing day.

20 A. After the Boxing Day earthquake Perpetual office was closed for our Christmas break. I went back either the 5th or 6th of January, I don't remember exactly. After Boxing Day I felt that the building definitely shook and creaked more during the aftershocks. People at work would joke about my reaction to them as I immediately got under my desk. That was just me. I also noticed there was a significant crack under the
25 stairs between the top riser and the landing which ran along the entire first step down so –

Q. Can I just ask you if you are able to identify that again on that plan?

A. Well the lift, this would have been the reception area on this side so the lift, the stairwell would have been approximately here. Is that correct?

30 1155

Q. Towards the east side of the building?

A. Yes.

Q. This is a stairwell where you saw the cracks, was it going up or going down?

A. It was, um, the level of our floor was here and there's the first riser of the stair going down to the ground floor and it ran along that entire first riser step between the riser and the landing.

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EXAMINATION CONTINUES: MR MILLS

Q. And I take it it was an open staircase so you could look up and see that?

A. Correct. I actually went down a few steps and looked up because it stretched right across including to where the banisters were, that whole support structure.

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Q. Yes, thank you. I think I also noted that.

A. I also noticed that there was cracking at the top of the columns of the pillars in the office just below ceiling level especially the pillars along the side of the building closest to the Ernst & Young building which would be the eastern, ah, the western side so these pillars that were interspersed here, um, various staff can vouch for me walking around inspecting the building.

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Q. Ceiling tiles?

A. Ceiling tiles were dislodged. Some were sitting approximately here I would say and the tiles in this area had been dislodged.

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JUSTICE COOPER:

Q. So that's in the vicinity of the south-west corner of the first square west of the central core?

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A. Um, north, north-west.

Q. Well it's the northern most square there but in the south-west corner of it. Is that right?

A. Ah, yes, correct.

EXAMINATION CONTINUES: MR MILLS

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A. The crack in the mail room had spread right across the wall so instead of being just a portion of it, it had further split right across the wall.

There was a shattered window in the front of the building. Is this the front?

Q. Yes it is.

5 A. Right in the central position, okay, so I've got it wrong where Summer was sitting then. Summer was here in this block here.

Q. This is your reference to where the ceiling tiles were dislodged?

A. Where the ceiling tiles came down, yes correct.

JUSTICE COOPER:

10 Q. I see - so if we go from the front of the building it's on the western side. It's the second square up?

A. Yes.

Q. Near the bottom of that, near that bottom south-east corner there?

A. Yeah.

15 Q. Thank you.

A. So this was where the window came out, well it didn't fall actually.

Q. So that's round about the middle of the frontage of the building –

A. Correct.

Q. over Cambridge Terrace?

20 A. Correct.

Q. I'm really, I'm just making these interpolations so that when we have the record we know what you're talking about because you've indicated with the mouse point which is very helpful but then we need to capture it so that we can read it again and understand, so I'm sorry I'm interrupting
25 you but that's why I'm doing it.

A. No problem.

EXAMINATION CONTINUES: MR MILLS

30 A. So there was a shattered window similar to a car windscreen at the centre of the building on our floor. A cone and some tape had been placed outside on the footpath in the area directly below the window just to protect against falling glass. Some powdery plaster had also fallen on the floor tiles on the ground floor, I'm sorry this sort of seems to go back to the crack under the stairwell in the stair because the powdery

residue had fallen onto the tiles of the ground floor. Harcourts was notified but there was a delay in getting the window replaced because of the number of broken windows around the city. There was also a crack in the ladies' toilet which seemed to be more pronounced which I really only noticed after the Boxing Day because it traversed the whole wall so I would say probably on the alternative side to the mail room, that same hall. It was approximately 30cm from the ceiling. There were also cracks on the adjoining men's toilet and accounting which was the other side of the men's toilet which is in this area here.

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JUSTICE COOPER:

Q. So that's the top eastern wall of the central core?

A. Yeah. Our accounting department was in here.

Q. North-east corner of the building.

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EXAMINATION CONTINUES: MR MILLS

A. At my colleague Kate Barron's desk the partition between that office and our office had separated from the exterior wall or glass. It was in this area in this vicinity here. This was Kate's desk.

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JUSTICE COOPER:

So that's about half way down the eastern side of the building.

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EXAMINATION CONTINUES: MR MILLS

A. The gap got progressively wider with each large aftershock. The cracks in the floor tiles in the foyer and reception area, the cracking would have been here in this area. I telephoned and emailed the building manager at Harcourts at different times. I asked Louise Sutherland to send me copies of the reports provided by the engineers which Harcourts referred to at various stages. We received a report in January 2011. It was discussed at our Health and Safety Meeting on the 28th of January. On the 22nd of February I returned to the office early after a lunch break about 12.45 pm as the weather was cold. When the shaking started I was on the telephone to a colleague in our Auckland office. I yelled and

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immediately dived under my desk. The last thing I saw as I was getting under my desk was the front window which was to my left-hand side blowing out. The ceiling tiles were falling all around me but it seemed to be progressive from the reception area.

5 Q. Can I just ask you again to identify just where you were at that point?

A. Um, my desk was approximately here.

JUSTICE COOPER:

10 Q. So that's on the eastern side, the second square up and on the western side of that square?

A. Yes.

Q. Just above where that arrow is in fact, the dark arrow?

A. I would say it's in that vicinity, you know, with the partitioning and that I couldn't say one hundred percent.

15 Q. And when you say the front window blew out –

A. This front window here.

Q. – the front of Cambridge Terrace?

A. This was a corner office and there was glass on both sides and this is the part that I saw blowing out.

20 Q. Onto Cambridge Terrace, thank you.

EXAMINATION CONTINUES: MR MILLS

A. The telephone connection was lost and power failed. Everything was dark and silent after the shaking stopped. I was not aware at that stage that the whole building had collapsed. All I knew was that I was trapped and my hand hurt. Fortunately there was also fresh air coming in. I could feel the draught. Every time I tried to reach my phone I had to give up. My cellphone was ringing at the time, obviously people trying to make contact. There was space around me to roll over onto my back because when I first got under the desk I was in pretty much a foetal position and I could extend my legs but I couldn't move apart from that. I tried yelling for help and eventually heard my colleague Jim Faithful calling out to me. He told me he was also under his desk, that a concrete slab was on top of him. We were both yelling for help and

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soon realised that nobody could hear us. The handset of my phone was near to me under the desk so I started tapping out SOS on steel frame of my desk. Eventually Jim and I heard drilling and hammering but it sounded very far away. There were several more shakes and every time I would hold my breath and pray that we would be safe. The rescuers finally made contact with Jim but they couldn't hear me. I presumed because I was further inside the building. Jim was able to relay to the rescuers that I was in the building near him. I was finally rescued about 9.30 am the following day, nearly 21 hours after the building collapsed.

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10 1205

Q. Thank you for that. I know it is harrowing and I will just give you a moment if you like. There are just a few additional points of clarification I would like to ask you about and one or two documents I would like you to have a look at. Can I just ask you before I take you to any documents, you said when you came back after Boxing Day that the building felt different?

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A. Yes.

Q. Are you able to be any more specific about how it felt different?

A. Well there was, there seemed to be far more damage, um, there was really the mail room crack extending all the way across the wall, um, pieces of plaster falling out of that crack, the significant crack underneath the stairs, more serious cracking in the toilet block area and inside the ladies' toilets.

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Q. You also made reference to it shaking and creaking more, are you able to –

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A. With every aftershock the building seemed to move more, it seemed to have more flexibility if you like, um, and there was definitely more creaking around the exterior of near where I was sitting I could hear that the actual creaking which I hadn't heard up until that stage.

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Q. I want to take you to a document, it is an email that you were involved in, and if I could just have this put up, it is wit.man.0001.180. Now you will see that that is an email which starts down at the bottom of that email chain on that page with you sending an email to Louise Sutherland at Harcourts on the 26th of January and asking for an

inspection of a significant crack under the 1st floor stairwell which I assume is the one that you have described in the course of your evidence. What I would just like to have you give any further evidence on that you are able to give about the level of significance you were attaching to the engineer's report that you were seeking at that point?

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A. Um, my feeling was that..., I'm more specifically referring to the crack under the stairwell which to my mind was serious. I was concerned about it and I relayed that to James, chairman of our health and safety committee, and, um, I suggested that I would like to get an actual engineer's report on this crack, um, to make sure that we were safe in that building.

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JUSTICE COOPER:

Q. James's surname is?

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A. West,

Q. James West. Thank you.

EXAMINATION CONTINUES: MR MILLS

Q. When that report came back did you actually see the report?

A. Yes it was emailed to me.

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Q. All right. Then I am going to next go to the report which is 186 in that same document series. I will just ask you to identify the report as that is the one that you received?

A. Yes I think it was.

Q. And do you recall whether at the time you noted that statement building remains safe to occupy?

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A. Yes it was, um, I personally didn't feel 100% safe but after all they are the professionals, they're the engineers, they would have known more about it than I would.

Q. Did you notice when you came back, well at the beginning of September and thereafter that there was a green sticker on the building?

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A. Yes there was. On the front door.

Q. What understanding did you have of what that meant?

A. I would assume that it's safe to go into the building. Um, we, I've discussed it afterwards, after we went into the building, to say that the council had green-stickered the building which meant that the building was safe and there was no real damage.

5 Q. Did you at any stage when you were dealing with these engineer's reports or hearing about engineering assessments that had been done, did you have any understanding of exactly what the engineers did when they looked at the building?

10 A. No, um, as I said in my statement I was only aware of one visit from the inspectors, and that was the initial one when he inspected the crack in the mail room which was on the core wall or shear wall. Although I was, or Perpetual was the supposed liaison person between Harcourts and building issues at no time did any engineer come to me and say, "Harcourts has asked us to re-inspect the building." You will also notice
15 from that, this, um, inspection initially when I requested an inspection I was told by Ann-Cherie that the building had already been inspected and that was when I requested the certificate or the statement from the inspector and as you can see it's only dated the 27th. I'd already made my claims both telephonically and following up on that by email before
20 that date.

Q. Do I understand it correctly that this is the only report that you actually saw from an engineer?

A. Correct.

25 Q. But you had a brief discussion with an engineer on the 7th of September?

A. Correct.

Q. That you referred to?

A. Yes.

Q. And I think you said you got a similar level of reassurance from that?

30 A. Yes. Basically that they were hairline cracks, superficial.

Q. So if I asked you about level 2 engineering assessments I take it you would not know what that meant?

A. No.

EXAMINATION: MR ELLIOTT

- 5 Q. I am just going to ask you one or two questions to describe two of the cracks in a bit more detail. Could I have the diagram please back up with the plan. Right, so you've given evidence that after the September earthquake you were struck by a large crack to you on the wall of the mail room and that's the left-hand side, the western side and you went on later on to say that after the Boxing Day aftershock that crack had spread across the wall and you said all the way across and you also described a crack in the ladies' toilet which is on the other side of the same wall. Is that right?
- 10 A. Yes it is.
- 1215
- Q. So just going back to the mail room side, how far across the wall, can you give a distance in length the crack was?
- 15 A. The size of the room with the way the partitions worked was I would say three to four metres wide, um, I'm not sure exactly. I never took a tape measure to it.
- Q. Is that horizontally?
- A. That is horizontally.
- 20 Q. And did it extend into other rooms apart from the mail room?
- A. Well that mail room, um, the mail room was pretty much isolated because it was against the core wall where the lift shaft was, um, and then around, it was an open-plan office so everything around it, um, was partitions and open-plan so I would say no not any other rooms just on the adjacent structures like the toilets which would be the other side there was cracking so it seemed to be in the core with the shear wall.
- 25 Q. So the crack in the ladies' toilet was that the same crack but on the other side of the wall?
- A. It may have been but I couldn't vouch for that, um, it seemed to be to me the most important one was about 30cm from the ceiling which spread all the way across but there was also cracking on the floor whereas the mail room seemed to be more or less across the middle sort of this height.
- 30 Q. Did you see any of the cracks extending right through the wall?

- A. No, I wouldn't have been able to look through it I don't think. I don't think it was specifically so pronounced that you would have been able to see through it. However, um, it seems that there was cracking on both sides.
- 5 Q. I didn't mean by seeing through but by walking from one side of the wall to the other could you determine whether or not it was the same crack on both sides that you saw?
- A. Ah, no because the main part was probably around where the lift shaft was so you couldn't actually access that. There was a cable column
- 10 next to the actual lift shaft. I believe originally they made provision for two lifts but there was only one lift installed and the adjacent column was for cabling. I never went in there.
- Q. And the cracks you described on the wall adjoining the men's toilet area that's on the eastern side?
- 15 A. Yes.
- Q. Was that horizontal or vertical?
- A. Um, mostly horizontal. There were some cracks that seemed to go upwards but I would put more emphasis on the horizontal cracks.
- Q. How long were those cracks?
- 20 A. My mouse is not working, um, can't see it. Here in the accounting areas so that wall was a common wall between the accounting area and the men's toilet.
- Q. So you're indicating the northern part of the eastern shear wall in that first block from the top is where the cracks were and they were
- 25 horizontal you said?
- A. Yes.
- Q. And how long were they?
- A. Um, they extended quite far across that wall. I would say two to three metres across the wall.
- 30 Q. And did you see anything to indicate that the same crack may have been evident on the other side of the wall?
- A. No. It was the men's toilet and I didn't go in there.

Q. All right, now, and apart from the email that Mr Mills referred you to earlier on from Harcourts did you have any other communications with Harcourts about the state of the building?

5 A. Um, I would phone them more often than emailing. However, when things got really serious that was probably the most important time at the end of January when I had the email correspondence with them but other than that various day-to-day things like the ladies' toilets not working, well the problem with doors, various other issues I would contact them, yes, by email also by telephone just depended, mostly by
10 email I suppose.

CROSS-EXAMINATION: MR LAING – NIL

CROSS-EXAMINATION: MR PARKER – NIL

CROSS-EXAMINATION: MR HERON

15 Q. Ms Guiney, just on that email you sent to Ms Sutherland you refer in there to a PGC Group Health and Safety Meeting that had been held the day before. Is that right?

A. I think it was the day after.

20 Q. I see. It says, "PGC Group held a Health and Safety Meeting yesterday morning and this matter was raised as a potential hazard which required urgent attention." I was just going to ask you about that health and safety group?

A. Um, basically it was chaired by James West, Narelle and I would attend and it was linked to all our other offices throughout the country and we would audio-conference and that's how we held our meetings.

25 Q. And if I can just cover the PGC Group includes PGC itself, Pyne Gould Corporation, Perpetual Trust Limited and MARAC at that time didn't it?

A. Yes, however MARAC didn't actually participate in health and safety meetings. It was, um, the original health and safety meeting was with all the subsidiaries, also PGG Insurance who used to occupy the building.
30 However, when that disbanded, um, we formed a Perpetual Health and

Safety Committee of which, um, I can't remember his name, the PGC Risks Manager was also involved.

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Q. Sure.

5 A. He would attend the audio conference meetings.

Q. And in terms of PGC group, you had not just yourself communicating with the building manager, but also Mr West, am I right?

A. That's correct.

10 Q. And then in respect of PGC the company, you had Mr Colin Hair and Ms Helen Golding, am I right?

A. Yes, they were –

Q. And they were also involved in communicating with the building manager?

A. They were.

15 Q. And then with MARAC you had Mr Ross Blackler and Ms Anne Ballingall who were also active in communicating about issues with the building. Am I right?

A. Yes, I believe so.

20 Q. And this health and safety committee that you were a member of and Mr West was chair of, it met regularly did it?

A. Yes, probably, well certainly initially we were meeting every month without fail, however with the Christmas period break and a lot of people away it might have been two months before, between meetings but on the whole every month.

25 Q. And I want to just ask you and congratulate you on the minutes of that group which met after the first earthquake on the 23rd of September and Commissioners and my learned friends, this is attached at JW10 to Mr West's brief of evidence and I don't have a corresponding Commission number for it, but it's JW10, I wonder if the witness could
30 be shown it.

WITNESS REFERRED TO DOCUMENT JW10

Q. Now as you pointed out and I won't spend much time on this, but this was a wider Perpetual group meeting held on Wednesday 23 September 2010, you and Mr West and others named are present

and can I just draw your attention to the notes relating to the Christchurch earthquake on the second page please. Do you have those there Ms Guiney?

A. Yes I do.

5 Q. And perhaps if I just read that. I won't need to read, I just draw your attention to the statement there that James, that's Mr West noted, "The excellent work performed by Narelle and Helen in ensuring that all potential hazards were adequately secured and that as a result no injury would have occurred to staff if the earthquake had occurred during
10 working hours from falling or tipping hazards." Does that accord with your recollection?

A. Yes it does, probably refers specifically to filing cabinets, any other furniture and fittings that were in the building.

15 Q. And the paragraph then asks that you conduct a review of all filing cabinets and items that may tip or fall etc and again did you and others attend to that?

A. Yes.

COMMISSIONER FENWICK:

20 Q. Yes, I have two questions for you, thank you for your descriptions so far, it's very helpful. First of all you talked about the cracks in the ladies' and the men's toilets. Can you just identify the horizontal cracks, can you just identify for me again how high they were from the floor?

A. There were several cracks in specifically the ladies' toilet, approximately
25 between five and 10 centimetres from the floor and then there was another one, well larger one around about 30 centimetres from the ceiling.

30 Q. How far – when you saw those cracks how far could you be away from the wall and still – I want to get some idea of the width of the cracks. Now if I know how far back you were when you could actually see that cracking that would give me some idea. Can you tell me, if you moved away from that wall how far could you get and you could see that crack?

A. Well the toilets were really only about a metre, a metre and a half wide so we couldn't get much further back. I would describe them as possibly slightly more than hairline.

5 Q. Right, what about in the men's toilet when you were on the other side of the wall, how far back could you get and still see that crack?

A. Probably a metre and a half, two metres.

10 Q. Good, that's helpful. Now one more point, you made the comment during the February 22nd earthquake that the roof tiles started to fall, if I interpret it correctly, initially on the south side and they seemed to progressively collapse, fall, as you moved north, is that correct? It must have been all very fast but I mean it's just –

15 A. Okay, I was lying under my desk, oh, I was under my desk with my left hand facing the front of the building I believe, and I could hear the tiles actually coming loose towards me, so that's what I mean by from the reception area.

Q. The reception area was over to the –

A. Which was to my right, I was facing eastward so I was here looking, this is towards the east and it sounded to me as if the tiles were collapsing from this area forwards.

20 Q. From north to south, right.

A. Yeah. But maybe I was disorientated in view of the events that were happening, maybe I was facing in a slightly different direction.

Q. Yes.

25 A. I don't know, that's what it sounded like to me, but you could definitely hear the progressive falling.

Q. Yes.

A. Even though it was probably a miniscule time – ah, period of time.

Q. Yes, thanks very much, that's very helpful.

30 **COMMISSIONER CARTER:**

Q. Yes, thank you, I echo those thanks. Your offices again were located on the ground floor were they?

A. The first floor.

Q. The first floor, thank you.

JUSTICE COOPER:

- Q. Ms Guiney, thank you very much for your evidence to us today, I know it can't be easy reliving these events and I thank you very much for doing
- 5 that for us. Thank you.
- A. Thank you.

WITNESS EXCUSED

MR MILLS CALLS:**JULIA WENDY STANNIUS (SWORN)**

Q. Your full name is Julia Wendy Stannius?

A. That's right.

5 Q. And you live in Christchurch?

A. That's right.

Q. And at February the 22nd, you were working for MARAC Finances as an insurance officer?

A. That's right.

10 Q. And you're now a credit collections officer for them and just to confirm MARAC is on the second floor?

A. That's right.

1235

15 Q. Of the PGC building. Have you got in front of you the witness statement, yes I see you do?

A. Yes I do.

20 Q. Can I just ask you then as with the other witnesses to just start reading from paragraph 4 but I don't want you to feel completely limited to the text. If you're going along and you would like to put it in different ways or add additional matters, please do that. The Commission wants to hear from you as to what happened and how you felt about it.

25 A. Lovely, thank you. Prior to the 4th of September earthquake I had no issues about working in the building. After the 4th of September earthquake we went back into the building on the Tuesday, the 7th, 2010 after being advised that the building had been inspected and green stickered. I remember noticing the cracking in the building which I did not believe was there before September the 4th 2010. On the ground floor in the hallway at the back of the building there was a crack running from the floor of the ground floor through the first floor to the ceiling of
30 the second floor. This was on the eastern side of the building on the wall adjoining the lift stairwell area.

Q. I wonder if I could just ask you so that we can be very clear about this. To do it I think you probably saw the previous witnesses doing this, just identify that for the Commissioners?

- 5 A. The crack probably would be at the point where the arrow is there and there was a hallway that led to the back of the building and it just ran vertically up through the ground floor, first floor and into the second floor. At some stage prior to 22nd of February a woman from Perpetual who I'm not sure who it was came upstairs and asked if she could look to see if we had a crack that they could see on their floor and see if it kept coming through our floor. My supervisor Ross Blackler and I went with her to our interview room which was on the other side of the lift, sorry, other side of the wall from the lift shaft. We saw the crack continued out through our level as well.
- 10 Q. I wonder if I could just ask you again just to identify that?
- A. Yep, um, our meeting room was probably about there and, um, the crack just ran straight up so that came from the first floor right into the second.
- 15 Q. Up through that shear core wall. Is that what we're talking about?
- A. Yep, sorry, yeah.
- Q. So it's on the right-hand side of the shear core that we're looking at?
- A. Yeah.
- Q. The bottom square?
- 20 A. Mhm, mhm. Um, there were emergency stairs at the back of the building. They had been cordoned off with yellow plastic tape after September the 4th 2010, um, after the earthquake on 22nd of February the emergency stairs had actually come away from the building, um, I remember that the ceiling in the lunch room came down on an angle on September the 22nd [*sic*] and the floor went, um, also went down on the same angle, um, and I managed to get into the stairwell area where the floor was on an opposite angle from the staff room floor and I was probably trapped in the building between 30 minutes and an hour until I was rescued.
- 25 Q. We were looking a little puzzled here because I think there's a page that –
- A. Yeah I think there's one missing, oh here we go, sorry.
- 30 Q. Could I just ask you to go back to that.

- A. Okay, so if we go back. The emergency stairs are at the back of the building. They were cordoned off after September the 4th with yellow plastic tape. There was a cracked window on the ground floor and there was tape around the posts at the bottom of the stairs by the footpath.
- 5 On the ground floor the internal stairs were broken where the glass balustrades commenced and there was some broken glass there as well. Boxing Day, I was on holiday at the time of the aftershock on Boxing Day. I went back to work in early January. I remember that I felt uncomfortable about being in the building. After the Boxing Day the
- 10 building moved differently in aftershocks. If a truck or a bus went past you could feel the vibrations. Every time there was a significant aftershock more cracks appeared in the building.
- Q. Are you able to be at all precise about where those were?
- A. Um, there was a lot of cracking around the windows, um, the cracks just
- 15 seemed to get bigger and, and longer, ones that had been there beforehand, um, I know there was cracking in the women's toilets but I can't honestly say how big the cracks were or whereabouts they were.
- Q. So you no doubt heard the previous witness describe –
- A. Yes I did.
- 20 Q. And I take it you're not feeling you're able to confirm as precisely as she did where they were?
- A. No I can't and I also know, um, in one of the ladies' toilets that the window had been cracked as well and there was a crack above the window. After Boxing Day Ross Blackler, my supervisor, sometimes
- 25 kept the fire exit door open so that we could use the fire escape if we needed to in a big aftershock, um, I remember in early January, sorry in January or early February two or three men came into our floor and checked the windows. One of them said to me not to look too closely as there were a lot of cracks around the windows. I had a look for myself
- 30 and could see a lot of cracks. They were bigger than hairline cracks but I would not describe them as huge.
- Q. Can I just ask you whether you know who these men were or what organisation they were from?

- A. No I don't. I never saw any inspectors but these guys were, um, they weren't dressed in suits or anything like that. They were just casual jeans and shirts and probably really early 30s and there was about two or three of them coming through our building just looking round the windows. On February the 22nd I was in the staff room as it was lunch time. The staff room was on the western side of the lift shaft stairwell.
- 5
- Q. I will just ask you to identify that precisely if you wouldn't mind?
- A. That's where our staff room was.
- Q. So it's next to the shear wall is it?
- 10 A. Yes it is, yeah. I remember the ceiling in the lunch room came down on an angle and the floor also went down on an angle. I managed to get out into the stairwell area where the floor was on the opposite angle to the staff room and I was trapped in the building probably for between 30 minutes and an hour until I was rescued.
- 15 Q. Can I just take you back to that paragraph you read about the angles and can you just describe which way those angles were running?
- A. Okay, um, when the floor, um, when the ceiling collapsed and the floor also went down on an angle they were going down towards that way but then when you got into the stairwell, um, the stairwell was on such an angle that we just slid into the glass balustrades around the stairs.
- 20
- Q. So was one angle to the west and one to the east?
- A. One we faced downwards in the staff room and then when we came out of the staff room door into the, um, stairwell it was going down that way so we just slid straight down into the glass balustrades.
- 25 Q. And the stairwell you're talking about is where?
- A. I believe that's the stairwell. Is that correct?
- Q. Yes, so were you effectively going uphill in one direction and downhill in the other?
- A. Yeah and there were no stairs there. The stairs had gone.
- 30 Q. There's just a couple of other things I just wanted to ask you about. The first relates to your evidence at paragraph 5 about coming back after the 4 September earthquake and being advised that the building had been inspected and green stickered. Do you remember who it was that advised you it had been inspected and green stickered?

A. Yes on the Sunday night so it would have been September the 5th I had a phone call from Ross Blackler who was my supervisor saying that we could go into the building it was absolutely fine, um, and I took the Monday off work because I've got a teenage daughter who was obviously pretty shaken up as well. Tuesday morning I went in and there was a green sticker on the front of the doors.

5

Q. Did you understand, and I understand you had been told the building was absolutely fine but leaving that to one side did you have any understanding at that point about what a green sticker meant?

10 A. I thought that a green sticker meant that everything was safe.

1245

Q. Did you at any other time during this period that you have described in your evidence either see any advice from engineers or were you told about any advice received from engineers about the building?

15 A. No.

Q. So the only comment I take it you had about the building was the one you have just described? The only one you have had about the safety of the building was the one you have just described?

A. That's right.

20

COMMISIONER FENWICK:

Q. I would like to find out more about the vertical cracks you spotted in the walls. The first one was about one-third, that is right, about there?

A. Yeah.

25 Q. Now that started at which floor level? Which storey?

A. It ran from the ground floor.

Q. Ground floor, yes.

A. Right up through the first floor and up to the ceiling of the second floor.

Q. So round into the second floor?

30 A. That's right.

Q. How wide? How far back could you see that crack? Could you move several metres away and still see the crack?

- A. Oh yes, definitely. There was a hallway on the ground floor so you only had probably a metre or a metre and a half width to look at it but it was very dominant.
- Q. It was a dominant type of crack?
- 5 A. Yeah.
- Q. So quite visible from a metre and a half away?
- A. Definitely.
- Q. And you could not get further away to look at it?
- A. No, not, not on the ground floor, no.
- 10 Q. You are then talking about another crack at the other end of the, another vertical crack at the other end of the wall? That is right, that position there?
- A. That's right.
- Q. Where did that one start and where did that one finish? Was that started at ground level as well or ...?
- 15 A. I'm sorry, I'm not sure, um, and I don't really, I can't even remember who the person was that came up from Perpetual but they had a crack running through that area on the first floor and had come up to ask if it continued up to our floor and, um, Ross Blackler and I both went with the person, it was a woman, and had a look and in our meeting room the crack ran up.
- 20 Q. So it ran through the first floor and –
- A. Yes it did.
- Q. – second floor? That area? Now again how visible was that crack? Could you see that from several metres away or could you not get back to see it?
- 25 A. Um, well it was a meeting room so you could move back about three or four metres but, um, I honestly, sorry, um, I never tried it.
- Q. Okay so –
- 30 A. But it was quite visible.
- Q. It was quite visible but it was not just a hairline crack?
- A. No.
- Q. It was more than that? That is very helpful, thank you.
- A. Thank you.

JUSTICE COOPER:

Q. Who is the person called Ross? I am not getting the surname, sorry.

A. Um, Your Honour, Ross Blackler, he was my supervisor.

Q. How do you spell that name?

5 A. Black, Blackler. B-L-A-C-K-L-E-R.

Q. Okay. Thank you very much.

WITNESS EXCUSED

MR MILLS CALLS**GLENYS JEAN RYAN (SWORN)**

Q. Your full name is Glenys Jean Ryan?

A. Yes it is.

5 Q. And you live in Christchurch?

A. I do.

Q. And you work for the Education Review Office as an administration officer?

A. I do.

10 Q. And just to confirm that is level 3 of the PGC building?

A. It is, yes.

Q. Have you got in front of you the brief witness statement that I have got in front of me I suppose?

A. I do.

15 Q. Could I ask you then please just as we have done with the other witnesses if you could just pick that up at paragraph 3 and go through it. I will have some questions for you, probably I will wait till you have gone through and I will come back and just ask you some further questions.

A. Thank you. At the time of both the September 2010 and the February
20 2011 earthquakes ERO offices occupied all of the third floor of the PGC building in Cambridge Terrace. A total of 24 staff employed by ERO were based in that building although the nature of the work that ERO does means that at any given time a number of staff are out of the office undertaking school and early childhood education visits. After the 4th
25 September earthquake all of the Christchurch staff ERO, oh, Christchurch ERO staff received an email from our manager, Jeremy France, on Sunday the 5th of September to advise that there was no access to the building at that point and that our office would be closed on the Monday.

30 Q. Now if you just pause there I am going to ask for that document to be put up so we can follow through as we go. Just while that is coming up, you do not need to feel that you have to stick with every word in there, if there are other things you want to add, if you want to be more conversational about this feel free.

A. Thank you.

Q. Now you have got that on the screen in front of you? That is the document, I take it, that you are referring to in paragraph 5?

A. It is. Yes.

5 Q. Thank you, you were at paragraph 6.

A. Once we got back into the building the main damage that was noticeable was the number of ceiling tiles that had moved. Two had fallen down on the Cambridge Terrace side of the building while along the eastern side of our floor a number of the ceiling tiles had moved.

10 Q. Now I am just going to ask for that floor plan to go up again and I will get you to do what no doubt you saw others doing which is take the laser pointer and just identify precisely the areas that you are referring to? So you have got two areas you have identified haven't you?

A. Yes.

15 Q. The two on the Cambridge Terrace side which is?

A. This area. They came down there and then we did have some that were loose along here and especially on a slant along here.

Q. So the first area is the south western corner?

A. South western, yeah, and then –

20 Q. And the other –

A. – they were a bit loose and along here and they were all on a slant like this along the window.

Q. So that is all along the eastern side?

A. Yeah.

25 Q. And the northern corner?

A. Yep.

Q. Now you are at paragraph 7.

A. On the western side of the building there was a gap between the window and the windowsills of about one centimetre. One of the staff had files near her desk which got wet.

30

Q. Again I just ask you to identify that?

A. So this was along that area or nearly all along that area you could find a gap.

1255

Q. So right along that –

A. (inaudible 12:55:04)

Q. – entire wall?

A. Yeah.

5 Q. Yes. Being the western wall?

A. Western wall yeah.

Q. Yes it's in the brief. Fortunately. Now paragraph 8.

WITNESS CONTINUES READING BRIEF

10 A. There was also some cracking that we noticed around the door frame between the central wall and the eastern side of the office. We requested the property manager have someone to check this. And that was mainly in here.

Q. Yes.

15 A. We had, actually I went down to MARAC and asked them whether they had cracking down here.

Q. This is a long shear wall?

A. Yeah. This is, yeah, it's by the lift there. Yep. And we had an office there, um, that was...

Q. All right thank you. Paragraph 9.

20 **WITNESS CONTINUES READING BRIEF**

A. I received an email from Helen Golding of the PGC on the 16 September which advised that a representative from Holmes Consulting Group had inspected the building. That the damage noted was superficial and that there was no need for concern.

25 Q. Could you just identify that that document which has now come up on your screen it's in front of as well, is the one that you're referring to?

WITNESS REFERRED TO DOCUMENT

A. Yes that's, yeah there's my name yeah.

Q. Yes.

30 A. Yeah, that's right.

Q. That's the email that you're referring to?

A. Yes it is.

Q. Thank you.

A. Okay.

WITNESS CONTINUES READING BRIEF

Q. You're at paragraph 10.

A. Right. We were provided with a copy of the hand-written report from Mark Whiteside of Holmes Consulting dated the 14th of October.

5 Q. And again, you'll get that in a moment.

A. Yes that's it.

WITNESS REFERRED TO REPORT

Q. That's the document?

A. That's the document.

10 Q. Thank you.

A. All right.

WITNESS CONTINUES READING BRIEF

A. I remember seeing people holding clipboards in the stairwell at some point but I do not know who they were or whether they were inspecting
15 the building. I am aware that ERO asked the property manager of Harcourts to fix the ceiling tiles which had moved again as a result of the 5.1 aftershock on the 19th of October. Harcourts arranged for Spotless to come and fix the tiles. On the 5th of November I emailed Louise Sutherland at Harcourts about the cracking where a wall partition
20 came into contact with the lift shaft on the eastern side of the building. This was on the same wall as the cracking above the doorframe. In my email I asked if there were similar cracks on the other floors. Well, actually that was at that time I'm sorry.

Q. Okay. Now –

25 A. Yeah.

Q. – I suppose we should go first again to the plan.

WITNESS REFERRED TO PLAN

Q. And then to the document. Just again to identify precisely so if that could go up again?

30 A. So that was, that was around there as well.

Q. It's the same area of the shear wall –

A. Yep.

Q. – that you identified previously?

A. Yeah.

Q. Isn't it?

A. It is.

Q. Yes.

5 A. And we had like a bit of movement so that office sort of came, there was a bit of gap as well between the gib –

Q. Yes.

A. – you know coming away and the gib coming away from the back of, in our boardroom there.

10 Q. And that, that's the boardroom at the end of the shear wall that you identified?

A. Yeah our meeting room was here.

Q. Towards the south?

A. Yeah.

Q. All right thank you now if we could just bring up the email.

15 **WITNESS REFERRED TO EMAIL**

Q. That's the email you're referring to is it?

A. Yes. Oh, it's in front of me sorry.

Q. I'll come back to that later after lunch, I'll just get you to identify for the moment and then just continue on at paragraph 14.

20 **WITNESS CONTINUES READING BRIEF**

A. That visit. I received a reply from Louise Sutherland on the 9th of November. She said that there was similar cracking on other floors in the building. She advised that the cracks had been inspected on several occasions by structural engineers, found to be superficial and
25 did not have any effect on the structural integrity of the building.

Q. And that's the document that you've now got on your screen I take it?

WITNESS REFERRED TO REPLY

A. Yeah. Yes, that's it.

WITNESS CONTINUES READING BRIEF

30 A. Ann-Cherie Manawatu-Tera of Harcourts came to the building on a couple of occasions between September and February.

Q. Now we're virtually right on lunch, that's a break point if you want to do that.

A. Yes.

COMMISSION ADJOURNS: 1.00 PM

COMMISSION RESUMES: 2.17 PM**MR MILLS ADDRESSES COMMISSION:**

Now as I mentioned to the Commissioners I am just going to re-call
5 Helen Guiney briefly just to clarify some evidence. (Plan displayed).
Endeavouring to be responsive to the issue that I discussed briefly with you
about the tabbing, the tabs where you'll find this, in the two volume Esselte
bundle you've got, this is at Tab 30, sub-tab 4 is her evidence. You go to the
principal hard tab and then it's got some soft tabs underneath it right at the
10 back of the file.

MR MILLS RE-CALLS**HELEN GUINEY**

Q. Now you've indicated to me your identification of the position of the mail
15 room which you gave when you were giving evidence this morning was
not quite accurate and so I've just asked for you to be re-called just to
identify where the mail room is which you said had some serious
cracking in it. I think you previously said didn't you that it was on the
eastern wall. Is that right?

20 A. Yeah. I think the (inaudible: 14:20:26) was on this side here.

Q. If you just wait a moment. I'm not sure whether that laser pointer is
working but it will be now.

A. Things look different on a plan to the actual building so I'm sorry about
that. I didn't intend it to be misleading. That was the toilet block around
25 there. The actual mail room was in here and this was the wall that was
seriously cracked.

Q. So it's the –

A. – So this is the lift here and that's the back of the mail room there.

30 JUSTICE COOPER:

Q. So the seriously cracked wall was the southern wall?

A. Yes, this one here.

QUESTIONS ARISING - NIL

EXAMINATION CONTINUES: MR MILLS**GLENYS RYAN**

(Tab 29)

- 5 Q. And you were, before the luncheon adjournment, you were just about to begin at paragraph 16.
- A. On Boxing Day my colleague Greg Tucker visited the office. He contacted me and as a result I went into the office the next day. I saw that a lot more tiles had fallen down from the ceiling or were hanging
- 10 down at an angle compared with after the September earthquake.
- Q. Can I just ask you if you're able to identify where that was. We seem to have lost the drawing we need again?
- A. In particular they were around this area here in different, some were down and some were just sort of hanging like that before.
- 15 Q. So you're indicating the north-eastern corner are you?
- A. Yeah. There were a few more along here that weren't down but had moved.
- Q. So the most significant ceiling tile damage you're referring to is that north-eastern corner?
- 20 A. Yes it is. As a result I emailed Louise Sutherland at Harcourts while I was in the office to arrange for Spotlight to take down the ceiling tiles that were unsafe.
- Q. I'll just take you to that document so we can identify this as we go through. That's the document you're referring to?
- 25 A. It is.
- Q. You are at paragraph 18.
- A. This work occurred before the ERO office re-opened on the 12th of January. From the 22nd of January, ah, September sorry, 22nd of September ERO had been –
- 30 Q. – And that should be 2010 shouldn't it, not 2011?
- A. It should be yes sorry – ERO had been requesting that Harcourt replace all of our heavy ceiling tiles. A meeting was held on January the 21st between Ann-Cherie Manawatu-Tera, Graham Randle who is the

National Manager, Review Services (Southern Region), Peter Cambrase, Support Manager (Southern Region) and myself. At that meeting Harcourts agreed to replace all of the heavy ceiling tiles on our floor.

5 Q. I'll just go to that briefly so that it can be identified. That's the document you're referring to there?

A. It is.

Q. Just confirming the work will be done. All right, thank you, paragraph 20.

10 A. That work commenced on the 27th of January and the majority of the heavy tiles have been replaced with lighter ones prior to the 22nd of February. There was some other damage which I only noticed after the Boxing Day aftershock.

Q. Now just before you go through that I'll get that drawing up again. As we go through I'll just ask you if you would please to identify the areas you're describing.

15

A. Well there was more intense cracks around this area that we found.

Q. Is this the door frame that you are referring to in paragraph 22?

A. Yes. It was much more cracking around the door frame yeah and this room here which was the meeting room.

20

Q. So when you say the door frame is this into that central core?

A. This is, um, the door and it was up in here and across there as well. They were on angles and down.

Q. So it's on the eastern wall of the shear core?

25 A. Yes it is.

Q. Paragraph 23.

A. There was an area around the front of the building which was marked off. Water was leaking off the roof of the building and running down the back of the building. After we went back into the office in January this year I did feel that the building moved differently in aftershocks. I got under my desk a number of times. I remember that there was an aftershock at 10.30 am the morning of the 22nd of February when I went under the desk. When the shaking started at lunchtime on the 22nd of February there were six of us in the office, five staff including myself

30

were in the tea room which is on the Cambridge Terrace side of the building south side one office in from the west corner.

1427

Q. All right, that is probably fairly clear but if you could just indicate that?

5 A. That is in here.

Q. Yes. So when you say one in it is one in along the south face?

A. Yeah, this was the manager's office and this was our tea, tearoom in here. Our colleague, Ann Bodkin, was at her office in the east corner of the building on Cambridge Terrace when the shaking started.

10 Q. I wonder if again you could identify that?

A. This –

Q. Right there in the south eastern corner?

A. Yes. I remember the shaking then in a west to east direction. I got up and went into the hall between the tearoom and the national manager's office which was on the west corner of the building. I sat down before the building went down. I was in the building for about an hour before I was rescued. My colleagues, except for Ann Bodkin, were rescued about half an hour after me. Ann was rescued from the PGC building after 26 hours.

20 Q. Thank you. I have just got a few additional points if you would not mind that I would just like to ask you about. First of all, paragraph 9, where you referred to that email you got from Helen Golding advising that a representative of Holmes had inspected the building and I wonder if we could just bring that up. This is tab 12, sub tab 3. There it is there. It is on your screen.

25 A. Yes.

Q. Before that email came to a number of people, which included you, what was your level of concern about the condition of the building?

A. Well when we went in we thought well they've done all the things that they possibly could do and, um, sometimes you'd walk through and see a few cracks but I can't recall completely what it was. We felt they'd done the best and yeah...

30 Q. Who is the 'they' you are referring to?

A. Um, other colleagues, yeah, oh, you mean, um, Harcourts or PGC.

Q. Let me re-phrase this. It must not have been clear.

A. Sorry.

Q. You are being given advice here from Helen Golding –

A. Yes.

5 Q. – that a representative of the company had been and inspected our building, and this is a reference to Holmes Consulting Group as you will see from the subject matter?

A. Yes.

10 Q. What I am asking you is prior to being told that Holmes Consulting Group had come through and said that there is no need for any concern as they are superficial problems only, what level of concern did you have personally about the condition of the building?

A. I wasn't, um, particularly over-concerned.

Q. You were not over-concerned?

15 A. No.

Q. All right.

A. No.

Q. Did you take any particular level of comfort from this advice?

20 A. Well, I suppose a bit of, um, oh okay as long as that, you know, that's what they've said but, um, I'm not too sure that you'd believe in everything.

Q. So you still reserved judgement about it, did you?

A. I, yes, I did a bit, yeah.

25 Q. Does that indicate that you continued to have some concerns about the building?

A. Well, yes, 'cos we kept watch, you know, I would go round with other people and have a look at things regularly in the time, yeah.

Q. Yes.

A. And that's why we quite often would send the emails.

30 Q. Now you have said in paragraph 10 that, "We were provided with a copy" –

A. Yes.

Q. – do you remember who it was that provided –

A. I think Helen might have sent, Helen Golding –

Q. Yes.

A. – sent that to me, yep.

Q. I just want to bring up that copy which is referred to in paragraph 10. So that is the handwritten report that you are referring to?

5 A. It is, yes.

Q. And do you remember reading it at the time?

A. I did, yep.

Q. Did you attach any particular significance to the reference to it being structurally okay to occupy?

10 A. I had to kind of believe what was said.

Q. Right.

A. And I forwarded it to my managers in our corporate office.

Q. Yes.

A. Our national office managers.

15 Q. Yes.

A. Yeah.

Q. Now you will see when you read that that the work included line at the top of that says, “Re-inspection ground floor windows frame gap, second floor partition crack.”

20 A. Yeah, doesn't -

Q. And then you'll see that below that the report appears to relate specifically to those two issues, and if we just remove that so we can see underneath it. You will see it when you look at the report itself.

A. Doesn't refer to our level at all really.

25 Q. No it does not.

A. It doesn't, no.

Q. But at the end of it, it has got a more general statement. Do you remember whether you drew that kind of careful reading of the report when you looked at it?

30 A. Yes, that's the only bit that we could really take for our, for our office.

Q. So you took the last part to apply generally?

A. Yeah, yeah.

Q. Paragraph 13, where you refer to the email to Louise Sutherland at Harcourts about further cracking on the eastern side of the lift shaft?

A. Yes.

Q. Or the core of the building, the shear wall as it has been referred to. You say in paragraph 14 you got a reply and again she is advising you that there have been several occasions when the cracks have been
5 inspected by structural engineers and found to be superficial, did not have any effect on the structural integrity of the building. Do you recall your reaction on being told that?

A. I think I just, um, showed it to my managers and, um, I guess I had to have faith that this was right.

10 Q. Yes.

A. Yeah. It was still, the cracking was still there.

Q. Now did you at any time have any understanding of the type of inspection that the engineers had done?

A. No, not particularly.

15 Q. Did you make any assumptions about the level of investigation that they had made to make the statements that were being conveyed to you?

A. I did not.

Q. Now you have said after Boxing Day, this is paragraph 25 of your evidence, that you felt the building moved differently and I am just wondering whether you are able to at all any more specific about how it
20 moved differently?

A. Well it was much, um, it was more movement in the whole building and so we quite, if you'd had a shake we would get under our desks. I would get under my desk more and it just moved freer.

25 1437

Q. Yes.

A. Than, than it had before. Yeah.

Q. Do you recall whether that movement was in any particular direction?

A. Um, some, possibly north-south sort of more than yeah, than east-west.

30 Yeah, or just shaking bit more shaking yeah.

Q. Yes.

A. Than, than before. Yeah.

- Q. I don't want, I don't want to make you say things with any more certainty than you've got but are you saying that your recollection is there was a bit more north-south movement than east-west?
- A. And I believe even on the 10, that 10, sorry –
- 5 Q. Yes. Yes.
- A. Yes, yes, okay yes sorry.
- Q. Okay.
- A. Yeah.
- Q. And then go on sorry I didn't mean to interrupt?
- 10 A. And the 10.30 one was, we felt was more a north-south than it was east-west on that day.
- Q. Right, yes.
- A. And I did get under my desk.
- Q. Yes.
- 15 A. Yeah.
- Q. Really just one other question just back to the issue of the assurances about the building, I assume that you would have seen a green sticker on the building at various stages?
- A. I did.
- 20 Q. What did you understand a green sticker meant?
- A. Um, free to come back in the building, that it had been checked.
- Q. Yes.
- A. It was all right to go come and work back in the building, yep.
- Q. And again did you have any understanding of what that checking
- 25 involved?
- A. I think it was pretty, um, go round the side and see if there was much, um, it was more understanding of looking at it rather than a deep, deeply -
- Q. Ah, so you –
- 30 A. – looking.
- Q. Yes you did have some –
- A. Looking at it.
- Q. – understanding?
- A. Mhm.

Q. Where did you get that understanding from,

A. Um, just from people's conversations more.

Q. Yes.

A. Yeah. I'm a structural engineer so...

5 Q. Yes.

A. Yeah.

Q. And do I take it that when you were told that these later engineering assessments had been done did you think that involved something more than that?

10 A. We would have hoped but no.

Q. Did you think it did?

A. Um, not necessarily yeah.

Q. So what did you think it did involve?

A. I probably about the same level.

15 Q. Okay.

A. Yeah.

CROSS-EXAMINATION: MR ELLIOTT – NIL

CROSS-EXAMINATION: MR LAING – NIL

CROSS-EXAMINATION: MR PARKER – NIL

20 **CROSS-EXAMINATION: MR HERON – NIL**

COMMISSIONER FENWICK:

Q. Yes there are twice in your section 14 and 22 you talk about cracking about the doorframe?

A. Yes.

25 Q. Now was that cracking above the doorframe in the wall or was it round the floors?

A. It, it was above and to the, if you were going out into the hallway it was on your left of –

Q. Which way, which way are you looking to the left?

- A. So if you're, if I'm standing here.
- Q. Yes.
- A. It was around there, so that –
- Q. Okay.
- 5 A. – that is, and that's the lift shaft so it was in that area.
- Q. And it was above as well?
- A. And above yes there was cracking above it.
- Q. Was it vertical or horizontal or diagonal above?
- A. Some of, some of it was on an angle and some of it was going down so
- 10 it wasn't, it was, some of it was – say that's, that's the side some of it was like that some of it was like that and some was like that yeah.
- Q. Some horizontal, some vertical as well?
- A. Yeah, there was, yes, yeah.
- Q. Okay, now you talked about north-south movement sorry I'm not sure
- 15 which one it was that you felt in the aftershock just before the 22nd of February, you said there was a, it felt as though there was considerable north-south movement?
- A. Yeah.
- Q. Can you tell me whereabouts you were in the building –
- 20 A. Oh my desk –
- Q. – when that aftershock came?
- A. My desk was here.
- Q. Right.
- A. In an office.
- 25 Q. Good.
- A. Just here. Yeah.
- Q. That's very helpful thank you very much.
- A. Thank you sir.

COMMISSIONER CARTER – NIL

30 **JUSTICE COOPER - NIL**

WITNESS EXCUSED

MR MILLS CALLS**DAVID ROBERT FARRADAY SANDEMAN (SWORN)**

Q. Your full name is David Robert Farraday Sandeman?

A. It is.

5 Q. And you live in Christchurch?

A. I do.

Q. You're a retired insurance broker?

A. Correct.

10 Q. And you previously worked for Marsh for I take it not 25 years but 28 years?

A. It was, it was 28.

Q. And retired in March 2008?

A. Correct and re-retired in the beginning of May this year.

Q. Sorry?

15 A. Re-retired.

Q. Oh, you went back to work and re-retired, okay. All right well I think you've probably heard the other evidence that's been given so if you've got that witness statement of you if you could just pick it up in paragraph 2 about midway through that and read it through and again if you don't
20 want to, if you want to add to the written form of it feel free to do that.

A. Thank you.

WITNESS READS BRIEF OF EVIDENCE

25 A. The Marsh office had always been on the fourth floor of the building, um, but for about three years until the end of 2'09 it occupied part of the third floor as well and the reason for that was ERO occupied a portion of the fourth floor and steps were taken for them to relocate on the third and Marsh would then have the entire fourth floor and that's what happened and it was completed at the end of 2009. After the
30 September 2010 earthquake I was contacted by Marsh and asked if I could go and talk to them which I agreed to do and they then asked if I could manage their earthquake claims which were at that stage around about 600 claims had been notified and I agreed to be re-employed by them and work until the end of April this year. So I was not in the office immediately after the September earthquake but I was told that there

had been damage principally tiles falling out of the ceiling and Mr Mills this was referred to you in your opening statement this morning and in addition to that files spewed out of cupboards and computer monitors fell over but all of that had been repaired and put right by the time I
5 returned to work at the last week of September. I don't recall on level four seeing any spalling in the columns that went from floor to ceiling on that level nor any particular cracks. On the eastern side where there was a doorway there were, here there were quite high filing cabinets which generally precluded a view and I certainly never bothered to cast
10 my eye up to the ceiling to see if there was any cracking above that. I was stationed at a desk at about this area but shortly prior to the earthquake just before 1 o'clock I'd moved across to talk to a colleague at a desk located here and I was standing looking out of the windows here towards Mount Hutt.

15 Q. I think we're going to probably now have to rephrase that just to identify some of those locations –

A. Yes.

Q. – if you don't mind. So back to the shear wall there where we started.

A. On the –

20 Q. Just there.

A. – the east, the eastern side of the, of the shear wall on level four there was some quite high filing cabinets against that wall so as I said I was not aware of having seen any cracking as has been referred to previous witnesses on lower levels.

25 Q. Yes. But I take it you're saying that, is that because you looked and didn't see it or you didn't really look?

A. I, they were concealed, the wall, other than for a, the few feet above the top of the cabinets which were about six feet high, um, I had not, I had honestly not looked there to see were there, were there cracks in that
30 wall.

1447

Q. Yes.

A. And if I could continue at para 6, generally all the staff at Marsh seemed comfortable with the fourth floor environment after the September

5 earthquake and the completion of repairs. That was the replacement of
the tiles, there was a little bit of ongoing work on air conditioning
systems where tradesmen would come in and remove a few tiles after I
had gone back to work at the end of September. I don't recall any
10 inspections taking place after I had returned to work at the end of
September but clearly there had been inspections and I was satisfied
that the building had been green stickered shortly after the 4th of
September. After Boxing Day I did not notice any additional damage on
the fourth floor and as far as I was aware in discussing with colleagues,
15 nobody was expressing a concern that they were scared to come back
to work. I didn't use the stairs, I would enter the building from the car
park through the doorway here into the lift and through this door on the
western side back to a desk over here. So, I did not notice any cracking
on stairwells simply because I did not use that to access or egress the
20 premises. On the 22nd of February as I mentioned a moment ago, I was
talking to a colleague at a desk in about this position and I was looking
out of the western windows towards Mt Hutt.

Q. So just before we leave that can we just identify what you've described
as this position, which is the first grid to the south –

20 A. East.

Q. - east corner of the shear wall that's shown on that drawing?

A. Yes.

Q. All right, and you were looking to the west?

A. And I was looking to the west. In less than 10 seconds from the violent
25 shaking starting, and it was very definitely in a east west direction, a
Lundia filing system which was immediately on my right here ran on its
rails in an easterly direction heading for Manchester Street. I don't
recall it sort of crashing into its bump stops because by then the building
had started to collapse and it was under my heels which were – I'd my
30 back to Manchester Street to the east, I could feel it doing that and then
the next moment we were – we were plunging down. I estimate it was
approximately 40 feet because we ended up on the first floor as I
subsequently discovered. We were fortunate, we – there were three

colleagues in my immediate vicinity, about here and here, and there was another person about there, about eight feet away.

Q. Again if we can just identify those spots?

A. Again it is south east from the corner of the shear wall and towards
5 Manchester Street. Happily for all of us the floor was relatively
horizontal where it – where it ended up but we were in a very confined
space. We could all move, none of us happily were pinned but we were
most assuredly trapped. I could lie on my tummy or I could turn onto my
10 right-hand side on the floor and with my left shoulder jammed under
some furniture. It was too dark to see any details, you couldn't tell the
time on your wrist watch, it was – there was a glimmer of light in the
distance I guess from where the floors had just pancaked together, so
there were five of us in this small area, here and one a bit further away,
and after about an hour and a half, two hours, we heard an engine
15 which I figured was the engine on a fire ladder, and indeed that's what it
turned about to be, because after about 10 minutes of that there was a
voice coming through the roof, "Anybody there". We were able to
confirm and give the names of the five of us and say we were stuck but
we were not pinned, and they assured us that they would have us out
20 within no more than six hours. Well happily it was significantly less than
that. The retrieval took place by them sledge hammering a hole through
the concrete roof and then getting a big saw that would chomp through
the steel reinforcing rods to create a hole big enough for us to be
extracted. The lady who was closest to the hole was rescued first and
25 they made it a little larger and a rescuer got in and pulled debris out of
the way for the remainder of us, the other four of us to commando crawl
across to the opening that had been made. We were assisted onto the
roof by someone pulling our hand, but the collapse was such that we
literally stepped onto the roof, they didn't need to bung a ladder down or
30 anything, we just, a big step and we were on the roof, it was then that I
realised it was sloping from the centre down here, not dangerously
because you could comfortably walk across to here and eventually be
laddered, the fire ladder was here which we were all able to climb down
and make our way to safety.

Q. You're indicating you came out on the southern side?

A. Correct. Down the – the fire ladder had parked here in Cambridge Terrace on the southern side, put its ladder up slightly diagonally like that, to level four and the five of us were successfully rescued that way and indeed, another lady in the office who'd been trapped in here at the reception area, she had miraculously made her own way through some crack in the building and made her way to this parapet here and was the first one to escape from level 4. I had asked one of the rescuers while we were still inside, what did the building look like because we didn't know at that stage how far we would fall, and he simply said, "Mate, you wouldn't want to know." So it was left to us to find that out when we got down onto Cambridge Terrace. I was amazed at the liquefaction that had occurred and indeed, when I eventually left the premises with a friend from Saunders and Company, and we drove up round here, there were cars buried, the only the – just the top of their tyres was poking out of the liquefaction, it was that deep, and they would have needed a bulldozer I suspect to dig out all the muck before those cars could have been subsequently removed.

Q. Can I just ask you one additional thing, or point, about your evidence, and that relates to the green sticker. You saw that on the building?

A. Yes.

Q. I'm just interested to know what that green sticker was saying to you about the building?

A. The green sticker was saying to me that it had been inspected and had – and was deemed safe for occupation and my recollection is that – words to that effect were part of the wording on all the green stickered buildings.

Q. Did you understand anything about the nature of the assessment of the building that had been done before a green sticker was decided to be the relevant sticker?

A. Not specifically, no.

Q. Did you have a general understanding that you could give us now?

- A. Yes, my general understanding was that the inspections carried out to get a green sticker had – the prime concern was that the building was safe for life and limb.

CROSS-EXAMINATION: MR ELLIOTT

- 5 Q. You mentioned liquefaction, did you see any in the immediate vicinity of the building?

- A. Yes, to walk across the street to the triage centre that was operating on the grass beside the Rotunda Restaurant, there was significant sort of watery sludge right across Cambridge Terrace.

10 1457

- Q. What about in the immediate vicinity? Namely around the base of the building?

- A. Well I, I stepped off the fire ladder which was parked in the street of course and I got off on the street side so I didn't actually go anywhere near this footpath right in front of the building but certainly on the street side of the fire engine and right across to the opposite gutter footpath there was significant amount of watery mud across the street.

15

- Q. Are you talking about the north or the south side of the street?

- A. I am talking about south side of the street but from the north, that being the north where I got off the fire truck and then walked across to the river side, to the south side of the, right across Cambridge Terrace.

20

- Q. Did you mention liquefaction around to the side and the back as well?

- A. Ah, no I didn't because I, I didn't go specifically, that was the access into the car park, that was the exit from the car park and I went behind from the Ernst and Young building, drove up behind that and through to Kilmore Street and the really deep liquefaction was in the car park behind the Ernst and Young building on the Kilmore Street side.

25

- Q. Did you see the car park immediately behind the PGC?

- A. No, I did not.

30

COMMISSIONER FENWICK:

Q. I would just like to confirm, you talked about the filing cabinet travelling in the east west direction, was that free to move in any direction or you talked something about rails?

5 A. Yes, it's a Lundia filing system of a series of cabinets that you can just move on rails, they take up less space than having individual things at a fixed spacing and they actually moved from west to east. They went that way.

Q. Right.

10 A. As if the building was falling and that was commensurate with the feeling I had under my heels of the building sort of tipping towards Manchester Street, towards the east.

JUSTICE COOPER:

Q. How many of these shelves were there? They were in a row I take it.

15 A. Five or six, five or six cabinets.

Q. And did they all move together?

A. Yes.

Q. Thank you very much.

WITNESS EXCUSED

JUSTICE COOPER:

Q. Are you Mr Smith?

A. Yes I am Sir.

Q. And just tell us who you are appearing for please?

5 A. Cambridge 233 Limited.

Q. Cambridge 233 Limited, and is that the owner of the building?

A. It is Sir.

Q. Mr Smith, perhaps it will help you. We have got a statement of Mr
Collins which runs to some 13 paragraphs and behind it there are
10 documents which I take it are either referred to or relevant to the content
of the brief?

A. Yes Sir, I was just discussing with counsel assisting the witness at
present in this document produces exhibits but I understand they are
already on Commission's electronic system so we will simply have them
15 identify the document in the same way as for previous witnesses rather
than –

Q. Yes, we have got documents which are, they all have the same code
which is wit.col.000 and the documents are from .6 the first suffix is .6
and it goes through to 136.

20 A. Thank you Sir.

MR SMITH CALLS**STEPHEN JOHN COLLINS**

Q. Your full name is Stephen John Collins?

A. Correct.

5 Q. And you are the sole director of Cambridge 233 Limited?

A. I am.

Q. You have in front of you a brief of evidence that you have previously seen and sworn?

A. Correct.

10 Q. Could I just invite you to start reading at paragraph 1 and just to pause after each paragraph and I will ask you any supplementary questions that arise?

A. The paragraph 1 just confirms I am the sole director of Cambridge 233 Limited and a trustee of the trust which is its sole shareholder.
15 Cambridge 233 was the owner of the PGC building at 233 Cambridge Terrace on the 22nd of February 2011. I am providing this witness statement at the Commission's request pursuant to a witness summons dated the 26th of October 2011. Counsel assisting the Commission has asked me to comment on five issues in particular.

20 Q. I will just ask you to pause there perhaps. We could all just read that list rather than... If you could resume at paragraph 4? Mr Collins if you could resume reading at paragraph 4 please?

A. I purchased the PGC building from Pyne Gould Corporation Limited by agreement dated the 1st of July 2009. I later nominated Cambridge 233
25 to fulfil the purchase obligations under the agreement. The agreement was conditional on due diligence satisfy some of the conditions, (A) My solicitor's obtained a Land Information Memorandum from the Christchurch City Council which is attached as exhibit SJC1.

30 Q. I will just ask you to pause there. Do we have a copy of these documents in the system? If we could just bring that up.

JUSTICE COOPER:

So that has the suffix 2.6.

EXAMINATION CONTINUES: MR SMITH

- Q. If you see over your left shoulder there is a, or in front of you, in fact. Is that the document you are referring to?
- A. I believe that to be the document, yes.
- 5 Q. If you could just move on to paragraph B?
- A. My property manager Howard Buchanan of Harcourts Commercial obtained a building report from Spotless, attached as exhibit SJC2.
- Q. Thank you. Should be 002.30. Is that the building report from Spotless you are referring to?
- 10 A. It appears to be the case, it's marked SJC2.
- Q. And just if you could just continue on through the list please?
- A. Pardon?
- 1507
- Q. If you could just continue on through the list please.
- 15 A. Certainly. Harcourts obtained a building Warrant of Fitness from Plant and Building Safety Limited, attached as SJC 3.
- Q. And that should be at 56. And again is that -
- A. That appears to be SJ3 marked as that exhibit. Correct.
- Q. If you could proceed to paragraph 6 please.
- 20 A. My solicitor's file also contains copies of the following reports which may be relevant to the Commission's investigation – (a) a Fire Safety Report from Holmes Fire and Safety dated 31st July 2008 in relation to the building as a whole attached as Exhibit SJC 4.
- Q. And that commences at page 70 of the... Does that appear to be the
- 25 document?
- A. Indeed it does yes.
- Q. Paragraph (b).
- A. (b) – a Fire Safety Strategy Report from Holmes Fire and Safety dated the 17th of April 2009 in relation to Marsh's fit-out of level 4 of the
- 30 building attached as Exhibit SJC 5.
- Q. And that's at page 88. Again -
- A. Correct. Statements of Compliance from Fire Fighting Pacific, Arnold Jenson, Commercial Door Services, Otis and Acqua Heat attached as Exhibit SJC 6.

Q. And that's page 100?

A. Correct.

Q. If you could just read on from paragraph 78.

5 A. I know that the PBSL Report refers to the building as potentially earthquake-prone and the LIM contains general notes to similar effect. This issue was not drawn to my attention and there were no discussions of it with me at the time. The sale settled on the 14th of September 2009. I did not retain copies of any documents relating to the purchase. I have obtained the documents referred to above from the files of my
10 solicitors and property manager for the purposes of preparing my evidence. The work carried out on the PGC building between the 14th of September 2009 and the 4th of September 2010 and the state of the PGC building immediately before the 4th of September 2010 earthquake. (9) Cambridge 233 engaged Harcourts, Howard Buchanan
15 as building manager. Harcourts, was wholly responsible for the management of the building, including arranging repairs where required throughout the period of Cambridge 233's ownership. I have authorised Harcourts to make available all relevant documents to the Commission. Cambridge 233 does not itself hold any relevant documents. The only
20 knowledge I have of any work carried out on the building in this period is that which was reported to me by Harcourts. Harcourts provided Cambridge 233 with monthly operational reports on the building. The reports for September 2009 to February 2011 are attached as Exhibit SJC 7.

25 Q. And that's commencing at page 106 - hopefully that's correct?

A. Correct. Was the PGC building assessed as earthquake-prone for the purposes of s 122 of the Building Act 2004? My answer to that is to the best of my knowledge, no. Instructions I gave to those who carried out assessments of the PGC building following the earthquake December
30 4th and Boxing Day earthquakes and the advice they provided to you. After the 4th of September 2010 earthquake I telephone Howard Buchanan and asked him to arrange immediate inspection of all of my buildings by a structural engineer to confirm that they were safe to occupy before the tenants were allowed to re-enter. We agreed that

Mr Buchanan would do this after any significant earthquake. Harcourts engaged Holmes Consulting Group. Holmes provided written reports to Harcourts confirming that the buildings were safe to occupy. I understand copies of these reports have already been provided to the Commission by both Harcourts and Holmes.

CROSS-EXAMINATION: MR MILLS

Q. Just a few points that I'd like to try and develop a little bit to see if there's anything more that we can get that will assist. First of all I think you've just dealt with this, paragraph 12 where you deal with your phone call to Mr Howard Buchanan of Harcourts after the 4 September earthquake and give him instructions on arranging immediate inspections. Did you ever see the contract that was subsequently entered into between Harcourts and Holmes which set out what it was that Holmes was being asked to do?

A. No I didn't.

Q. So as far as you were concerned the instruction you gave was an unconditional, "I want immediate inspection of all my buildings by a structural engineer to confirm that they are safe to occupy before tenants go back"?

A. In fact when that conversation took place Harcourts had already entered into negotiations to have the buildings inspected.

Q. Yes, let me just ask you again the same question. As far as you're concerned the instruction that you gave to Mr Buchanan was an unconditional instruction that he arrange an immediate inspection, and for these purposes we are talking about the PGC building -

A. Correct.

Q. – by a structural engineer to confirm that the building was safe to occupy before the tenants are allowed to re-enter?

A. Correct.

Q. I want to take you next to the monthly reports to which I think reference has already been made and my reference at any rate is WIT.BUC 0001.14, at least that's where it starts and continues on.

JUSTICE COOPER ADDRESSES MR MILLS

I'm not sure that that is going to translate to the numbers we have got. We're all on WIT.COL 0002. something. So we've got the same documents with different numbers possibly. This isn't going to be terribly good from our point
5 of view Mr Mills. In our folder these Harcourt reports seem to start at 106, 2.106.

CROSS-EXAMINATION CONTINUES: MR MILLS

Q. Sorry to delay this. Now you've got that in front of you?

A. Not as yet. I have SJC 7 in front of me on the screen and I don't have
10 the report with me in hard copy.

Q. It will come up momentarily I hope. It should be there now. Is it not on your screen?

A. SJC 7?

Q. Yes that's the one.

15 A. Correct, yes.

JUSTICE COOPER:

Q. We've got a different numbering system just to confuse you Mr Collins. Can you see the small lettering maybe in red colouring.

20 A. With a slight amount of difficulty but I can read it, yes.

CROSS-EXAMINATION CONTINUES: MR MILLS

Q. I don't know how this has happened. This is unsatisfactory because it does not include the pages from each of these monthly reports that deal with earthquake issues which is the part I'm interested in. So this isn't...

25 A. Am I looking at the wrong thing?

Q. No, you are. For some reason this is not a full monthly report for each month. There is, in the full version for each month it continues on for another I can't remember how many more sections but it always includes a reference to earthquake issues.

30 1517

JUSTICE COOPER ADDRESSES MR MILLS:

Q. What month are you interested in Mr –

A. I'm interested in September through January.

Q. Right, well might I suggest that you look at 2.123 and over the page to 2.124.

5 A. Yes, that's exactly where it is. I'm not sure why it's been (inaudible 15:17:44) I've seen the full versions of it, not that it matters.

CROSS-EXAMINATION CONTINUES: MR MILLS

10 Q. You will see there Mr Collins, that you should in front of you, I hope you've got in front of you the first of those pages, so now I want to go – so that's the September, the monthly report to the end of September, and my understanding from what's been said, I think by Mr Buchanan is that these were provided monthly to the owner. Did you receive these on a monthly basis?

A. I did.

15 Q. Well if we could then go to the next page, which is page 124, and you will see there and no doubt you're familiar with this, is this heading section 6 earthquake which appears every month until the end of January and I simply note there the current status, 30 September 2010, structurally safe to operate, tenants fully operational and so do I take it that when you got that, that was really confirming and consistent with the instruction you had asked from Harcourts that I'd referred you to a moment ago?

20

A. Correct.

25 **JUSTICE COOPER ADDRESSES MR MILLS:**

Q. The words used are 'structurally safe to occupy'.

A. Yes.

Q. I thought you said to operate?

A. Oh, did I, if I did I certainly didn't mean to.

30 **CROSS-EXAMINATION CONTINUES: MR MILLS**

Q. Structurally safe to occupy, and that then just to confirm this if we then go to page 126 which is the October management report, again under

- that heading 'Earthquake', again current status, sorry, I've run ahead of myself. Let me go back to 124 and I just want to draw attention to that paragraph, can we just enlarge that a little bit in relation to – I just want to draw attention to the statement that's made there under 6, which is
- 5 'following the 7.1 magnitude earthquake on Saturday the 4th of September, we have been working alongside structural engineers to ensure all buildings under our management were safe to occupy and arrange all necessary emergency repairs to enable re-occupation of the property where possible', and I take it Mr Collins that would have been
- 10 consistent with the instruction you were given in relation to the PGC building?
- A. Correct.
- Q. Then if I can go to page 126, which is the October management report, there we'll see under current status 31 October on page 126, engineers'
- 15 re-inspection after large aftershocks, earthquakes. Did you have any involvement or any knowledge of what was being done at that point?
- A. Could we just enlarge that -
- Q. Yes.
- A. - statement please?
- 20 Q. Yes. I agree it's not easy to see. You'll see there under current status 31 October 2010 engineers' re-inspection after large aftershocks / earthquakes. Did you have any –
- A. Sorry, where is that Mr Mills?
- Q. It's under – see the – it's got current status 30 September?
- 25 A. Yes.
- Q. Structurally safe to occupy, then further down current status 31 October, bearing in mind this is the 31 October report?
- A. Yes.
- Q. So obviously they're running them as a running table.
- 30 A. Oh yes, okay.
- Q. You can see their engineers' re-inspection after large aftershocks / earthquakes.
- A. Yes.

Q. And I'm just interested Mr Collins on whether you had any knowledge of what was being done then?

A. Not direct knowledge other than conversations I'd had with Harcourts.

Q. Yes.

5 A. And the reports that I had received.

Q. And those conversations you had?

A. Were always that whatever needs to be done –

Q. Yes.

10 A. – is done and that the people were not allowed to re-enter buildings until they had been signed off by a structural engineer.

Q. Yes, all right. And then again just really for completeness if we could go to page 128 and I'm now interested in the current status for the 30th of November – again could we enlarge it for the 30 November entry please and I should let you know so you're preparing for it, that I'm going to then move onto 129 after we've dealt with it. So again we'll see at the bottom there, current status for the end of November, structurally safe to occupy, so it's the same as the month before, then if we could go to the December one, which is at 130, again we see there, 'structurally safe to occupy under the 31 December entry,' and given how slow it is maybe I should spare us all the pain and say would you take it from me that that's what it continues to say?

A. I will.

Q. Through the January report?

A. I will.

25 Q. It does and we can look at (inaudible 15:25:58). Now I need to do – I needed to take you through that because this of course is an issue that's going to be raised with Harcourts?

A. Could I just clarify one point.

Q. Yes.

30 A. The January report, or the report for January I did not see.

Q. No.

A. I was not in the country and so I had no knowledge of that particular report.

Q. Yes.

A. But I had knowledge that Harcourts were satisfied on the date that I left that everything was safe to occupy, and certainly in terms of the PGC building.

5 Q. Yes. So the reports that we've been looking at month after month, 'structurally safe to occupy,' that was giving you exactly what you had asked for assurance of?

A. Correct.

Q. Back there in September?

A. Correct.

10 Q. Now you've made a reference in your witness statement, to giving that instruction to Harcourts in relation to all of your buildings?

A. Yes.

Q. Do I take it from that that you had other buildings in Christchurch that were affected by the September earthquake?

15 A. A number, a number.

Q. Any – give us any sense of how many?

A. Four buildings in the city with a fifth presently under discussion.

1527

Q. Right. And were any of those seriously damaged?

20 A. They're all gone except one.

Q. They're all gone. Did you, and did you get the same sort of reports that we are seeing here for all those buildings as well?

A. All of the buildings yes, there were instances where we did not allow tenants to re-enter a building because we were not satisfied and on more than one occasion we got reports peer reviewed to ensure the safety of the, of the tenants.

25 Q. That when you say peer reviewed are you telling me you had engineers go through and do an assessment?

A. We had the report peer reviewed. I asked, that was done by Harcourts, I don't have the report or the details here.

30 Q. Sorry I just need to get this clear. The report that you had peer reviewed that you're referring to, is this an engineer's report being peer reviewed?

A. I assume so.

Q. Okay.

A. And, and does not necessarily relate to this building, we're talking, asking me generally about other buildings.

Q. Yeah. Yes.

5 A. And there were instances with buildings where we took additional care because of uncertainty for safety.

Q. So do I take it from that that there would have been some buildings where you wouldn't have had a response structurally safe to occupy but you would have had a different response to that?

10 A. Um, all buildings to my recollection were safe to occupy after the events until February.

Q. Okay, thank you. Do you have any understanding of what a level 2 assessment is as engineers use that term?

A. Not specifically no.

15 Q. If I asked you to tell me what you understood it was?

A. I would be unable to respond.

Q. All right. I just want to take you to the evidence that's going to be given next week by Mr Hair of Holmes Consulting Group where he describes what a level 2 assessment is and as I understand it is saying that's what was done when the PGC building was being checked?

20

A. Mhm.

Q. I just want to get your reaction to it?

A. Certainly.

Q. That document, hoping we're on the same nomenclature is W-I-T-H-A-R
25 0001.8, it would be with his evidence which is in tab 14.

WITNESS REFERRED TO TAB 14 DOCUMENT

Q. Paragraph 31 of his evidence. Now you'll see here that Mr Hair is saying, he's referring to the inspections that were carried out on the PGC building rather than taking you back I'll just give you the context.
30 He says in the previous paragraph, "HCG Holmes Consultants carried out inspections on the PGC building on 7 September, 16 September, 15 October and mid to late January 2011". You're aware of all of that?

A. Mhm.

Q. "Instructions were received from NAI Harcourts who were the building owner representatives. Holmes were engaged to carry out an 'initial earthquake inspection' and 'securing measures as considered necessary'." Now just to interpolate it's a matter of record that that's what the contract entered into between Harcourts and Holmes said and you've said you hadn't seen the contract so just take it from me that's what the contract said?

A. Mhm.

Q. Then he says in paragraph 31, and this is the part I want your response to. "All inspections were carried out in compliance with level 2 post earthquake inspection requirements taking into account the verbal briefings given by the Christchurch City Council civil defence in regard to what was expected from level 2 assessments. Such inspections generally comprise a rapid visual inspection to identify any obvious signs of damage that might result in significant diminished structural capacity. The inspections are by their very nature brief and are not expected to include any plan review or analysis of the building or any sort of invasive inspection of the structural elements". Now what I'm wanting to ask you, wanting you to respond to is whether that description of what Holmes were doing is what you would, what you thought they were doing?

A. I can only answer that by saying I gave Harcourts an unlimited brief to do what was necessary to ensure the safety of the buildings and those working in them.

Q. Yes.

A. Um, they are my managers I did not get involved in the development or signing of this contract, um, I, ah, only was involved on the basis of instructing Harcourts to carry out whatever was necessary. So I haven't seen this.

Q. Yes.

A. I don't know whether that's an appropriate inspection -

Q. Yes.

A. - under the circumstances, there were a number of buildings that were inspected by Holmes. Interestingly enough one which is in the process of coming down they were tenants in.

Q. Yes.

5 A. So I think they're, I had confidence in their statements, they're a well-known organisation, um, we assured they did the work for us because we had faith in their capabilities and I was guided by the green stickers that they put on the door and their commitment that the building was safe and regardless of what the contract said I would have
10 expected them to enquire sufficiently to come back and say they had concerns there are other things that we should be doing with regard any of the buildings that they were inspecting, um, regardless of what they might have agreed upon at the beginning if they had felt there was a danger of any description I would have expected them to come back
15 and recommend further inspection.

Q. Yes. Well that leads me into the next two paragraphs of Mr Hair's brief which I now want also to draw to your attention. He goes on to say, "This level of inspection was generally considered appropriate for determining whether buildings were suitable for occupation subject to
20 recommendations for further detailed assessment", and then he says, "At no stage as far as I am aware was Holmes requested to undertake detailed assessments"?

A. Ah, I, I can understand those statements but I would see it entirely the other way round.

25 Q. Yes.

A. I would see that it was their responsibility if they had a concern to recommend to Harcourts that further inspections take place.

Q. Yes.

A. If Harcourts were given a green sticker and told that from the, the, ah,
30 original, um, level 2 assessment that the building was safe to occupy, um, then I would have thought that Harcourts would be satisfied that an engineering organisation had inspected the building and put a green sticker on the door.

COMMISSION ADJOURNS: 3.36 PM

COMMISSION RESUMES: 3.58 PM

EXAMINATION CONTINUES: MR SMITH

5 Q. Now Mr Collins, there is just one other matter I want to ask you about
and this relates to paragraph 7 of your witness statement where you
refer to the, now where is it? Just want to see where the PBSL stands
for in paragraph 7 and I just did see it a moment ago. The Plant and
Building Safety Limited report? I think that is the acronym that you are
10 using in paragraph 7 and you say, "I note that the PBSL report refers to
the building as potentially earthquake-prone and the LIM contains some
general notes of a similar effect. This issue was not drawn to my
attention and there were no discussions of it with me at the time." Now I
just want to take you to a couple of documents and ask you whether you
15 were ever aware of these and the first one is BUI.cam2226.2. This is a
report which the Commission has been taken to earlier today from
Holmes which was done on this building so there is the front page of it
and I want to go the next page which is the executive summary, and just
so we can see if there is anything here that triggers a memory, I just
20 invite you to look quickly at the two points that are made there. Were
you ever made aware, either of this document specifically or let me ask
you that first? Were you made aware of that document prior to
purchasing the building?

A. No.

25 Q. Were you made aware of the general points that are being made here?

A. No.

Q. Before purchasing the building? I want to take you next to, again it is a
bui.cam document. This is a cam233.0051.7. Oh sorry I put you wrong.
The one in front of me has got a different number. Try bui.cam233.0021.
30 Yes that is the one, now again if that can be enlarged at all it would be
helpful. You will see that this document is a report from Holmes

Consulting Group to Ian Bisman of Warren and Mahoney, the architects, in July 2007, 4 July 2007 and it is a matter of record that this was part of a discussion about changes that might be made to the PGC building and the passage I want to just draw to your attention is on the next page, so it is .2 and you will see there under that heading 'Existing structure' that the statement is made that, "The existing building has an unusual structural form that may work to our benefit, the columns step across at the first floor level to create the structural setback that is a part of the existing architecture," and then it says, "This is a severe weakness seismically as this discontinuity has the potential for severe failure." And again I ask you whether you had seen this statement before you purchased the building?

A. I had not.

Q. Were you ever made aware of the general point that is made here before you purchased the building?

A. No, had I done so I'd have done more investigation during my due diligence period before I confirmed the sale.

Q. Thank you, I have no further questions.

A. Could I just make one comment?

Q. Oh yes.

A. I had actually tried to buy this building before when Pyne's purchased it and one of the things that gave me some assurance about the building is that it was designed by the Ministry of Works for the Christchurch City Council for the Drainage Board and not looking at this documentation but I had always been told that at the time it was built it was well in excess of the specifications required for safety at that time. No one during the time, my due diligence period, or subsequent to that, has any of this information been made available to me.

Q. Thank you. That is all I wanted to know.

30

JUSTICE COOPER:

Q. Did you say you were under the impression that it had been designed by the Ministry of Works?

A. Yes, it was built for the Christchurch Drainage Board.

Q. Well I understand that but did you say you understood it to have been designed by the Ministry of Works?

A. No it was built by the Ministry of Works I think.

Q. I see, is that what you understood?

5 A. Mhm.

CROSS-EXAMINATION: MR ELLIOTT

Q. Mr Collins, for those who do not understand such things I am just going to ask you some questions about the comment in your brief about the agreement to buy the building being conditional on due diligence?

10 A. Mhm.

Q. And you have said that that was an agreement dated 1 July 2009?

A. Correct.

Q. So what you are saying is that you entered an agreement to buy this building but that the agreement was conditional upon you carrying out some enquiries about the building to see if you wanted to proceed?

15

A. Correct.

Q. And if you were not happy with the results of those enquiries during the so-called due diligence period you would not go ahead presumably?

A. Correct.

20 Q. And what you –

A. Well, I, I may have gone ahead but there may have been some renegotiation in terms of whatever had to be done to make the building safe if that in fact had been the case.

Q. Or you may have renegotiated the price?

25 A. Possibly.

Q. You have mentioned just now, although it is not referred to in your brief, that there had been a previous look at this building. Did that include a due diligence period?

A. No, no, not in terms of engineering or structure.

30 Q. Did you enter an agreement?

A. No.

Q. All right, so as part of the due diligence period in relation to the agreement that you did sign, you have said that there was a look at the

LIM by your solicitors and there was a building report so those were a part of the due diligence process?

A. Correct.

5 Q. And you have made some reference to those documents and I will just ask them to be put up if we can. So it is document, the first one is document col.0002.56, and the comment?

JUSTICE COOPER:

Q. This is part of the Spotless report is it or -

A. Yes Your Honour –

10 Q. – is it another document?

A. – I am going to refer Mr Collins to under the heading, ‘Summary’, the second last bullet point.

15 Q. Oh it is actually I think the Plant and Building Safety Limited warrant of fitness report, is that right? It would be easier to see when it is displayed probably but did you refer to 0002.56?

A. Yes Your Honour. That is it there I think.

Q. Yes.

1608

CROSS-EXAMINATION CONTINUES: MR ELLIOTT

20 Q. And I’m just asking Mr Collins to clarify that that is one of the documents that emerged during the due diligence process is it?

A. Correct.

25 Q. And the comment you’re referring to is suggesting the possibility of the building being earthquake prone is the second last bullet point under the summary which says, “This building is potentially earthquake prone. Remedial works may be required as a condition of future building consents”. So that’s the comment which turned up in the document during the due diligence period correct?

30 A. Ah, that is definitely the document and, um, I’m assuming that that is correct because I don’t recall having seen that specific bullet point.

Q. And you also referred to the LIM report?

A. Indeed.

Q. And I'll just make sure that we're identifying the correct comments that you're citing in your brief, COL .0002.14?

A. Is that the, ah, number 7 on my statement? "I note that the PBSL report refers to a building that's potentially earthquake prone"?

5 Q. Well I think we've just referred to the PBSL report?

A. The PBSL report.

Q. That was the document that I think we've just referred to?

A. Indeed.

10 Q. Yes and now I'm referring to the LIM report and you've said the LIM contains some general notes to similar effect and I'm just having a look at those so that we make sure we know what was said and if – down the bottom of the page "Earthquake prone building potentially earthquake-prone. Due to changes to the definition of earthquake prone buildings in the Building Act 2004, Council's current records do not fully identify all
15 buildings which may be potentially earthquake prone", and then the next page 2.15 at the top, the top two entries, "Earthquake-Prone Building 2 Assessment. Applicants are advised to engage a structural engineer to assess the building to determine the significance of this information. Earthquake-Prone Building 3 Upgrade. The effect of this change is
20 buildings built prior to '76 may need to be assessed against the requirements of the Building Act 2004, requiring building strength to be one third of the current building code. Note: prior strengthening work may no longer be enough to be compliant". Are they the documents that you're, or the sections of the LIM report that you refer to?

25 A. No, I –

Q. In paragraph 7?

A. Paragraph 7 these were brought to my attention after the earthquake on the 22nd of February.

30 Q. Well that's the point I'm just exploring, so they are the comments which you're saying were not brought to your attention?

A. When this building was purchased, um, considerable time and effort went into it by both Harcourts and the lawyers who were dealing with this issue, um, they reported back to me after the completion of the due diligence that they were satisfied, um, that all the aspects of due

diligence could be, had been completed and I was in a position to confirm. Now I in all cases in this and the many other buildings that I bought and sold have in general terms acted upon the recommendations of professional people who have been employed specifically to look at the details and to identify problems in those details that may be an issue.

5

Q. Would you accept that earthquake upgrading or strengthening work may be potentially quite expensive on a building such as the PGC was?

A. I honestly wouldn't even care to think about it because at the time I purchased the building there was no such thing as a consideration about future earthquakes, um, if it had needed to be done and I had discovered that and that it was a serious issue at the time I bought it that would have been one of the issues that I'd've dealt with, with the vendors, um, and, ah, before this I have always made a commitment as a landlord to ensure that buildings that I own are up to spec and safe for tenants because that is a really important issue in the ownership of any buildings.

10

15

Q. So your position is that your solicitors and any other advisors who are advising you identified the potential that it was earthquake prone and there may be a requirement for strengthening but elected not to advise you of that?

20

A. This, this was not an issue that came up during my discussions in, at the completion of the due diligence and their recommendation that I was in a position to be able to confirm.

25

Q. Did you advise the issue of written report on the due diligence enquiries?

A. Ah, I have a Spotlight report which I think is part of the evidence here and, ah, the rest of the information that I had provided by Harcourts.

JUSTICE COOPER:

30

Q. You mean Spotless?

A. Spotless, my apologies, yes.

CROSS-EXAMINATION CONTINUES: MR ELLIOT

Q. Your lawyers I meant? Did your lawyers issue you a written report?

A. Ah, not to my knowledge.

5 Q. Because they were the ones that you say obtained the land information memorandum?

A. Correct.

Q. And presumably would have reported back to you on that?

A. Correct.

10 Q. Not to your knowledge so in making the comment that the issue wasn't drawn to your attention have you gone back and checked?

A. No.

Q. So are you certain the issue wasn't drawn to your attention?

15 A. I'm certain the issue wasn't drawn to my attention. The first time I knew and it caused me some considerable disquiet is when I was talking to the engineers that were appointed by this Commission to investigate all of the buildings, ah, that were, were damaged and where people, um, were hurt or killed and it was my discussion with them that I discovered that this was in the LIM report.

20 Q. Right so your position is that although you haven't checked you're certain –

A. Well I had -

Q. (inaudible 16:14:31)

25 A. – nothing to check. All, all of this information was prepared for me, um, I sat down and, and spoke with the lawyers and with Harcourts and determined that, that the Spotless reports and other reports were satisfying both the lawyers and Harcourts as my building managers that I was in a position safely to confirm the purchase of the building. I certainly would not have done so if there was any basis on which the, I should have concern that there may be either future major construction
30 to be done or that the building might be at risk of causing people harm.

Q. It appears that the vendor at that time may have been in possession of information relevant to the structural integrity of the building. Did your –

A. That may well be.

- Q. Did you make any enquiries of the vendor about issues such as that as part of your due diligence –
- A. No.
- Q. – enquiries?
- 5 A. Not specifically.
- Q. How about unspecifically?
- A. Well in most instances when you purchase a building you have, ah, you, you arrange and agree upon a price, a contract is signed and then in most instances communication takes place between the lawyers on the conditions, on the due diligence and the other issues that take place. It would be unusual for a purchaser to go directly to a vendor and sit down and start asking questions about whether or not they'd had things done that I should know about.
- 10
- Q. What I was really meaning through lawyers?
- 15 A. Not to my knowledge because I would have thought their assessment and confirmation to me that I was in a safe position to be able to confirm would meant that they were satisfied that the work they had done supported the fact that this was a building that was safe for me to buy.
- Q. How long have you been in the property industry?
- 20 A. Fifty years.
- Q. And how long have you owned commercial properties or...?
- A. Probably 25 to 30 of those.
- Q. Did it ever occur to you that as you were becoming or now were the owner of a building that was built in the 60s you might initiate some enquiries about the capacity of that building to withstand an earthquake?
- 25
- A. I would suggest until the first earthquake we had in September of last year this was not an issue that any purchaser of any building put any weight on in determining whether or not they should buy because if they had done so there would have been a lot more earthquake strengthening done in Christchurch than there had.
- 30
- Q. Well you give some evidence about some discussions with Mr Buchanan and my learned friend has asked you some questions

about that and I'd just like to ask you one or two more. Mr Buchanan is an employee is he of Grenadier, is it Grenadier Real Estate Limited?

A. Correct.

Q. Trading as NAI Harcourts?

5 A. Correct.

Q. Is that a Harcourts franchisee?

A. It is.

Q. And the franchisor company is?

A. Ah, Harcourts New Zealand Limited I think.

10 Q. What has your involvement been in the franchise over that 50 years of involvement in the industry?

A. I built it.

1618

Q. You built the Harcourts franchise?

15 A. Mmm.

Q. So were you a shareholder of the franchisor?

A. No. I was but I am no longer and have not been for some years.

Q. Were you in effect Mr Buchanan's boss –

A. No.

20 Q. – during that period?

A. No in no way. I am presently a Director of Harcourts International which has no direct relationship to any single franchise operator anywhere in the world. That is the company which oversees the whole of the Harcourts Group and has no involvement with local offices and hasn't done. I haven't had any involvement with a local office for 10-12 years.

25 Q. Well in your years in the industry have you ever dealt with, before September 2010, have you ever dealt with an engineer before?

A. Um, on occasion yes.

Q. And do engineers charge on an hourly rate?

30 A. Ah, yes they do or some do. I can't speak for all of them.

Q. I'll just read to you what you say about the conversation with Mr Buchanan, "I telephoned Howard Buchanan and asked him to arrange the immediate inspection of all of my buildings by a structural engineer to confirm that they were safe to occupy before the tenants

were allowed to re-enter. We agreed that Mr Buchanan would do this after any significant earthquake.”

A. Correct and I also made the comment that when I rang him to have that conversation he had already instigated that issue and was in the process of getting it organised.

5

Q. Well are you aware that engineers can produce different types of assessment reports ranging from a report following a very rapid assessment through to a potentially quite detailed analysis?

A. Um, I would assume that to be the case.

10

Q. And you would be aware and you would have been aware back when you spoke to Mr Buchanan that a fuller more detailed analysis of a particular building would be likely to cost much more than a more rapid inspection?

A. I can assure you sir that the safety of the people in my buildings never relates to the amount that needs to be paid to get a job done. If there is something specific that needs to be done Howard has always had carte blanche unless it was over a certain figure to undertake whatever is necessary to ensure the safety of buildings – whether it was an hourly rate or a major detailed report, whatever needed to have been done I would have done.

20

Q. Well that’s what I’m asking you about because as I understood it you said to Mr Mills that the discussion with Mr Buchanan was unconditional in terms of what he could do but you’ve just said here that it was up to a certain figure?

25

A. No, I’m talking about tens of thousands of dollars. I would expect to talk with my property manager if there was a major financial issue coming up and I’m not talking about splitting hairs to whether it was an hourly rate or a bigger figure, larger figure, to do a different type of inspection.

Q. Do you know how much you paid for the Holmes’ reports?

30

A. I haven’t the faintest idea.

Q. Well we’ll ask them that question but would you agree that would it have likely to have been much much less than a report that might have been generated to do a full detailed inspection of the building?

5 A. I don't wish to be off-hand but you're delving into an issue which is inappropriate. I would have been happy to pay more money if Howard or Holmes had suggested or recommended that I should have done so. It's not a matter whether I would have preferred a cheaper job or a dearer job. I would want the job to be done that was the most efficient job to ensure that property was safe and the whole of Christchurch was going through this. There were hundreds and hundreds of buildings where people were concerned whether or not tenants could get in. I understood then and I still understand that if your building was green
10 stickered that the engineers who had inspected it were satisfied that the building was safe for occupation and if they had come back and said, "Mr Collins you need to do a fuller report 'cos we're concerned" I would have done that.

15 Q. So your discussion with Mr Buchanan didn't involve any talk about price?

A. No. I just said, "Do what has to be done to ensure that those buildings are safe for people to enter."

Q. And even though you were talking about four or five buildings involving engineers on each one –

20 A. I did involve engineers on each one and they did inspect each one and one of them the engineers were the tenants so rest assured that I was happy to do anything necessary to ensure the safety of the people in the buildings.

25 Q. Well you mentioned that you had some reports peer reviewed. Why not peer review the PGC reports?

A. You'll have to ask Mr Buchanan that because he was the one who got it peer reviewed because he wasn't happy.

Q. So he has the authority to carry out peer reviews as he sees fit without recourse back to you and incur the expenses associated -

30 A. He's been my property manager for many many years. I'm often not in this country and he has my full authority to do whatever is necessary on any building for its safety or up-keep or maintenance and you'll see in the reports that you have there with you that there are times when he does things that are necessary to be done in buildings, maybe not

specifically in this one, in the reports of all the buildings that he gives me on a monthly basis and he does it, he identifies it, it's taken out of the rents so I can identify what cost has been spent and then we get on with it.

5 Q. Well now that we learn or now that you learn apparently that the contract that Mr Buchanan signed with Holmes allowed for initial earthquake inspection and securing measures as considered necessary, what do you say about that? Is that satisfactory now in hindsight?

10 A. I would say again as I've said before that I would believe as engineers it was Holmes' responsibility to come back to Howard Buchanan as the property manager if they were concerned that the inspections they were doing did not provide sufficient evidence for the safety of the people in the building. Howard doesn't know that. He's a property manager, I
15 don't know that, I'm not involved, so the only people who can recommend whether something should or should not be done are Holmes Consulting and if you had a document there saying Holmes Consulting recommended that one of these inspections should have been at a different level and that didn't happen then that's a different
20 issue but I don't believe that's the case.

Q. Was Holmes Consulting the only engineer approached to carry out an assessment of the PGC building?

A. Well they certainly did all of our buildings and that's the report that I relied on and you'll have to ask Mr Buchanan if he had anybody else do
25 any of the building.

Q. Was there any pressure from insurers to get people back into the building as soon as possible?

A. Not to my knowledge.

Q. And an insurance claim was lodged at some point in relation to the PGC
30 building after 4 September?

A. I think insurance claims were lodged on a number of occasions when things had to be done in the building after some of the earthquakes and aftershocks.

Q. And was there any response to that insurance claim on the PGC building between 4 September and 22 February as far as you're aware?

A. Ah, not to my knowledge and if there had been it would have been to Howard Buchanan and I guess that he would have contacted me if he was concerned about any response from them.

5

Q. All right well as the trustee of the Trust which is the sole shareholder of the company which owned the building which collapsed killing 18 people and injuring many others do you have any comments to make on things that might have been done or done differently in hindsight by anyone to prevent these injuries and deaths?

10

A. I discovered what had happened to this building when I was two and a half thousand miles up the Amazon in a boat and I turned on the TV and the first thing I saw was the lady being pulled out with a crane which was part of David's comments, one of the people who was with him, and I can assure you that was one of the most horrific things that I have ever witnessed in my life knowing that I owned a building where there had been a loss of life of 18 people and many more hurt but I don't know anything that anyone told me. I don't know of any issues that were of any severity that required me to do anything that I didn't do and as I have made the comment a number of times if somebody came to me and said that something needed to be done that might have avoided this and I hadn't done it I would be a very heart-broken man and I can assure you that this has had a huge affect on me and I've racked my brains many times to think about if there is anything that I should or could have done and I've gone back through the circumstances and I've gone back through the issues and I own a number of buildings and I don't know whether I'm ashamed or not to say that I don't know if I've checked on any of the other ones to see about whether they are earthquake-prone or not but it's not longer an issue because like many other buildings in Christchurch they are all gone so I've had a lot of emotional involvement with the whole of Christchurch with buildings and I have no hesitation in saying to you that if there had been anything I could have done, I would have done it.

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Q. But what about comments and what others might have done to prevent this, so that we can learn lessons moving forward?

A. I can't speak on behalf of others.

5 Q. I'm not asking you to speak on behalf of them, but you have a perspective on this that might allow you to make a comment if you wish?

A. Well thank you for the opportunity but I don't know that it's appropriate, I mean these people who have – either working for me as building managers or working for them as the building managers to carry out certain jobs and details and as I've said again, a number of times during
10 this discussion, I expect somebody to come to me on any issue, if they believe there is something that should be done, to not only to secure the safety of anyone in a building but just generally, that's how people do business. There is an issue, you bring the issue up, you look at the issue, you do something about it, so you'll have to ask them.

15 **CROSS-EXAMINATION: MR ELLIOTT – NIL**

CROSS-EXAMINATION: MR PARKER

Q. Very briefly, Your Honour, Mr Collins, my name is Parker, I'm representing NAI Harcourts, I just want to put a couple of questions to you please?

20 A. Sure.

Q. You told us a little bit about the due diligence process when you purchased the building. It's the case is it that Harcourts were engaged as part of that process, but only to procure reports such as those you've alluded to in your brief, one was about the building itself, one was from
25 Spotless I think, and Harcourts role was really to gather those reports and channel those into the due diligence process?

A. Correct.

Q. Thank you.

A. Can I add one comment Sir?

30 Q. Yes.

A. What actually adds to the effect that this issue has had on me, as you can understand, is that the tenants on the top floor, Marsh, are my

insurance brokers, so not only was I involved in the trauma of what happened with the building, there was also a loss of life with people that I'd been working with for 25 years and so you know it has had a real effect.

5 CROSS-EXAMINATION: MR HERON – NIL

QUESTIONS FROM COMMISSIONERS FENWICK AND CARTER - NIL

RE-EXAMINATION: MR SMITH – NIL

WITNESS EXCUSED

MR LAING CALLS**STEPHEN JAMES MCCARTHY (SWORN)**

Q. Mr McCarthy, your full name is Stephen James McCarthy?

A. Yes it is.

5 Q. And you are the Environmental Policy and Approvals Manager for the Christchurch City Council?

A. Yes I am.

Q. And you have prepared a brief of evidence?

A. Yes I have.

10 Q. Could you take paragraph 2 as read and start at paragraph 3 and read it please?

A. Thank you. I have been asked to provide evidence to the Royal Commission relating to specific aspects of the council's involvement with the PGC building before and after the earthquake of 4th of
15 September 2010, and a Boxing Day aftershock. The documents related to this building had been provided to the Royal Commission and they are the building permit and building consent file for the PGC building, the post-earthquake files, documents relating to the period when the Council was the owner of the building. My evidence will address the
20 following matters: The civil defence emergency management response in relation to the building after the 4th of September 2010 earthquake; Council involvement with the building subsequent to the lifting of the state of emergency on 16th of September 2010, but before the 22nd of February 2011; The Council's response in relation to the PGC building
25 following the Boxing Day aftershock; comment on whether there were any cordons or barricades around the PGC building following the 4th of September 2010 earthquake; the compliance of the PGC building as originally designed and constructed and as altered and maintained with the requirements of the Building Act, its predecessor and any associated legislation, and whether the PGC building was assessed as
30 earthquake prone for the purposes of section 122 of the Building Act 2004; the application of the Council's earthquake-prone policies of 2006 and 2010 to the building. Events after the 4 September 2010 earthquake. A level 1 rapid assessment of the building was undertaken

on 5th of September 2010 which resulted in the building receiving a green placard. There's no record on the Council files of a level 2 assessment. Where a building received a green placard it was not Council's general practice after the 4th of September 2010 earthquake to undertake further inspections in such circumstances. The building was not re-assessed after the Boxing Day earthquake. I refer to section 7 of the Council's report into the building safety evaluation processes and the central business district following the 4th of September 2010 earthquake. The Council's report which outlines the response to the Boxing Day aftershocks.

5 Q. Just pause there?

A. Certainly.

Q. That report, the Council's report, that has been provided to the Royal Commission to your knowledge?

15 A. Yes it has.

Q. Thank you, it's on the Commission's website to your knowledge?

A. I'm unsure about that.

1638

Q. Just continue there please?

20 A. Thank you. Not all CBD buildings were assessed after Boxing Day, but building owners were advised to get their own assessments. The building did not have any barricades or cordons around it following the 4th of September 2010 or Boxing Day earthquake. The regulatory background. The council issued building permit 6340064 for the building on 24th of February 1964. This would indicate that the council at that time considered the building to comply with the relevant building bylaw which was a Christchurch City Council bylaw number 44 building 1962 and the specific standards and codes which were incorporated into the bylaw. Pyne Gould purchased the building from the council in 1996 with settlement early in 1997. Pyne Gould obtained consent CON997003686 in 1987 to alter and fit out the building and to carry out strengthening work to approximately 50% of the current building code. Building work included the addition of steel support to exterior columns.

30 A letter from Holmes Consulting Group dated 29th of May 1997 sets out

the details of the work and explains the design assumptions. It also points out that there is no change of use and there is no legal requirement to strengthen the building. The building file contains documentation of the work and inspections as well as confirmation by the consultants for Pyne Gould that the work had been constructed to the plans and the specifications. A consent ABA81446 was issued on 2nd of November 2007 for a fit out and structural strengthening. Engineers were Holmes Consulting Group and the architects were Warren and Mahoney Architects. The documentation includes a copy of a project features report completed for the owners which describes the current state of the building and the work to be done. The work mainly consisted of constructing openings through the shear walls, and new reinforced concrete overlays to restore the strength to what it was before the openings were made. The structural performance of Christchurch CBD buildings on the 22nd of February 2011 aftershocks stage 1 expert panel report prepared by an expert panel appointed by the Department of Building and Housing BUIBAR0017 expert report notes in relation to the PGC building at 5.11 that, "The PGC building structure was in accordance with the design requirements of the time 1963, both in terms of level of strength and the level of detailing provided." In s 5.5 the expert report states, "A significant assessment of the building's earthquake resilience was undertaken by the owner in 1997. This identified shortfalls in the resilience with respect to the loadings standard current at that time NZS 4203 1992. The capacity of the building after the addition of steel props behind the perimeter columns in 1998 was judged by the owner's engineer at that time to be in excess of 50% of the then current new building standard." In s 5.1 the expert report states, "When compared to the current code for new buildings NZS 1170.5 2004 and NZS 3010.2006 the PGC building would have achieved between 30 and 40% NBS," which is the new building standard, prior to September 2010 when assessed against the New Zealand Society for Earthquake Engineering Guideline recommendations NZSEE 2006." The building had a current building warrant of fitness as at 4 September 2010 in which the owner certified

that the inspection, maintenance and reporting procedures of the building systems listed in the compliance schedule had been fully complied with. Was the building assessed as earthquake-prone for the purposes of s 122 of the Building Act 2004? In terms of the Building Act 1991 the building was not built from unreinforced masonry so was not deemed to be earthquake-prone. In 1997 a building consent 97003686 was granted and as part of the application a letter dated 29th of (inaudible 16:43:27) 1997 was received from the owner's structural engineers Holmes Consulting Group. The letter stated that after the proposed work which included strengthening of the exterior columns had been completed the building performance was considered to be adequate. Holmes stated that the analysis showed the onset of severe damage to some building elements could be expected if 50% of the then current code loading. A copy of the letter from Holmes Consulting is included in the documentation regarding 233 Cambridge Terrace and building consent 97003686 which has been supplied to the Commission. The Building Act 2004 and relevant regulations define the level below which a building could not be, could be held to be earthquake-prone as 33% of NBS. The expert report indicates that the building was between 30 and 40% of NBS. If the building was in fact below 33% there would have been no immediate requirement for upgrading under the council's 2006 earthquake-prone policy, however if a building consent application for a significant alteration had been received the need for upgrading would have been considered under s 1.7 of that policy. In the case of the 2010 policy the building would have been in category C and would have been required to be strengthened within 30 years of the owner being notified that the building was potentially earthquake-prone, s2.2.

CROSS-EXAMINATION: MR MILLS

- Q. You will be becoming quite familiar with this process by now?
- 30 A. I am.
- Q. You might be getting far too good at it. I just want to, this will be no surprise to you, to just first of all ask you some questions around

paragraph 6 of your evidence which deals with the level 1 rapid assessment -

A. Yes.

5 Q. That the council did? Now there was some documents that came in from the council just a couple of days ago and I am not sure to what extent they found their way into our system. So that is the rapid assessment form that the council did under the emergency powers on the 5th of September 2010, that of course is the one you refer to in your evidence is it not?

10 A. Yes it is.

JUSTICE COOPER:

Q. Let us just read the number into the record.

15 Q. Bui.cam233.0183.1. It is also in that bundle that the Commissioners were given, this bundle and there it is at tab 5.

Q. Under Mr McCarthy's name?

A. It is, yes.

CROSS-EXAMINATION CONTINUES: MR MILLS

Q. First of all are you able to identify who DLF is?

20 A. Yes that's one of our, ah, team leaders and the, a senior building inspector David Flewellen.

1648

Q. Right. So this would be a building inspector, not a qualified engineer?

A. That's correct.

25 Q. Was that the general practice with these rapid level 1 assessments to have them done by building inspectors?

A. The, the building inspector was assigned to a team. He was the Council officer who would actually issue the, ah, the placard and place it on the building. The, ah, he would have been accompanied by a rescue
30 person, ah, and also, um, a CP engineer.

Q. Always accompanied by a CP engineer?

A. Yes.

Q. How are you able to be so confident of that, is that what the records show that always a CP engineer?

A. Yes we had a, um, ah, we, we assigned the teams according to that and it was one of the limitations that we experienced on the 5th of September
5 as I recall we had something between 20 and 25 teams out on that day.

Q. Yes and you, when you say that was one of the limitations you had do you mean limitation on resources?

A. Yes we only had so many engineers at that stage that, ah, that we were, um, that, um, we could assign to that task.

10 Q. And are you saying to me that that's why you only had 23 teams or that not all of those teams would have had a CP engineer in them?

A. No what I'm saying is that, ah, that limited the number of engineers, ah, of the teams that we could, we could assign.

Q. I see.

15 A. To this task.

Q. Now among the correspondence that came in from the Council in the last couple of days is a letter there that I want to take you to which I think you referred to and this is I hope, is document BUI.CAM 233.0182 and it's tab 5 in that bundle that you've got Commissioners.

20 **WITNESS REFERRED TO TAB 5 OF BUNDLE – LETTER DATED 29 MAY 1997**

Q. From Holmes Consulting Group, the Christchurch City Council and I think you referred to this didn't you in the course of your evidence although you didn't go to the document I don't think. Now because I'm
25 not trying to trick you as to where I'm going here, just let me tell you that what I want to just explore with you is the information that the Council had access to - at least theoretically had access to - before the assessment was done on the 5th of September?

A. Yes.

30 Q. And the extent to which that information was utilised in doing the assessment, so that's where I'm going, I'm not trying to hide this from you. So here we have one of the items of correspondence which as I understand it you had in the Council files and this is dealing with the strengthening work that was done in 1997. The Commissioners heard a

fair bit about this earlier today, I dealt with it in the opening. Do you agree with me that looking at that letter, if one was looking at it in 2010 when this assessment was being done, that it would flag some potential issues with this building relative to current code standards about its seismic performance?

5

A. I'm not certain what those issues would be other than the fact it would, ah, give me, ah, some level of confidence that, ah, it wasn't, ah, earthquake prone or it was certainly, um, would seem to be above the earthquake prone standard.

10 Q. But this is advice being given in relation to the standards in place in 1997 isn't it?

A. Yes it is.

Q. And those standards were lifted in 2004?

A. Yes by, my understanding is by approximately 10%.

15 Q. Yes. So you would look at this then and say well it's still above the current earthquake prone standard?

A. Of course I hadn't done the calculations but, ah, the evidence would suggest that.

20 Q. So then I put it to you in a more general level, if you were out doing the assessment of the building on the 5th of September and you'd been told before you went here's some things you need to be aware of about this building and among them was this letter that wouldn't have added at all to the information or approach that you would have taken to that assessment?

25 A. No it wouldn't. Can I, can I add to that and this is in the context of many thousands of buildings being assessed over the course of, ah, the 5th and 6th of September, ah, so, um, these were very rapid assessments.

30 Q. Yes I understand that yes, yes. And I'm not trying to be unaware of or insensitive to the pressure that the Council was under along with USAR and everyone else?

A. Thank you.

Q. The issue that's here is I think the question about what, how these assessments were done and the effect that they had and how they were understood, that's the issue here that I'm just interested in getting your

views on. So that you say nothing that would be of assistance. Now then there was further work done or a further assessment in 2007, were you here this morning?

A. Yes I was.

5 Q. You may recall the, or in fact I did it with the previous witness put to him that passage from the Holmes letter to Warren and Mahoney in 2007 I assume the Council knew nothing about that statement. This is a statement about the eccentricity in the building and the earthquake risk that that could pose?

10 A. I believe we didn't have that information.

JUSTICE COOPER:

Q. Sorry, couldn't hear Mr McCarthy?

A. I, I believe we didn't have that information.

Q. Thank you.

15 **CROSS-EXAMINATION CONTINUES: MR MILLS**

Q. As I understand it from your evidence I'm just looking for the paragraph where you say this, "On the 5th of September even if the Council had wanted to have any access to information about the building it couldn't access it because the files were not accessible at that point", is that
20 correct?

A. That's correct.

Q. And is that because all of the files were held in hard copy and the files had fallen over or somehow fallen into disarray?

A. Yes, that's correct, they were held at an off, offsite, ah, storage facility
25 and the, um, I believe that the racks all, ah, failed and we had, ah, we, we had, there was a number of weeks before we could, ah, get any files out.

Q. Where were they held offsite?

A. Ah, they were held with a, in a company called Recall.

30 Q. Yes.

A. I'm not exactly sure of the exact location.

Q. I know the Council's got a lot on its plate but has any attention been given subsequently to the need to have immediate access to structural drawings following events such as those that have occurred?

5 A. Yes we're trying to, um, make electronic all of our records, ah, Recall has a new secure site which is, all the racks are seismically restrained and, um, so we're, we're confident we can get access much quicker.

10 Q. Would – is that being set up in a way which would enable the key structural drawings if one wanted to know about the structure of a building and how it might have performed or be at risk in an earthquake would that be set up in such a way that they would be essentially immediately accessible?

15 A. Ultimately that's what we're trying to achieve but I have to say in the context of a rapid assessment I think it highly unlikely that we would have the time to access files and do a full property file review, um, as you've said you know you, you're aware of the sheer magnitude of what we were facing, ah, so we, we weren't, simply weren't in a position to, to access, access those property files in time.

1658

20 Q. Was it a surprise to you to hear from some of the witnesses this morning that when they see a green sticker on a building they regard it as telling them that the building's safe to go into and occupy?

25 A. I'm very aware that people put untoward reliance on those green stickers. Having said that I think it's reasonable with regards to this particular building that the engineers had been in there, they had re assessed the building and if there'd been any reason, what, not to be green stickered, I'm sure that they would have notified us as we would expect.

30 Q. I just want to stay with the Council's green stickering process for the moment, because you'd agree with me wouldn't you that when the Council puts its level 1 green sticker on, there's no obligation, enforceable obligation on the owner to get any further assessment is there?

A. That's correct.

Q. So the result of the Council green stickering a building may be that that green sticker remains the brand in effect on the building.

A. That's correct. Despite what is actually on the placard –

Q. Yes.

5 A. – where we direct building owners that this is only a rapid re-assessment, rapid assessment, one would expect that they would get it further checked but that doesn't always happen.

Q. No, there's no requirement that that happens, and if it doesn't happen then we have a Council rapid assessment green sticker that potentially
10 stays on the building for a significant period of time?

A. That's correct.

Q. And you'd agree with me would you that we've seen no indication at least in the evidence so far that tenants going into these buildings distinguish between one green sticker and another, it's simply a green
15 sticker?

A. That's correct.

Q. If the Council puts a yellow sticker on a building, do you agree with me it would be much more likely that the owner would then have an incentive to do something to get rid of it?

20 A. Yes.

Q. Did the Council ever consider or give advice to the assessment teams at this time that they should take a conservative approach on their assessments?

A. Certainly the training given was – it made it very clear that if there was
25 any risk that certainly they should take a conservative approach.

Q. Do you agree with me that given that the Council couldn't access any of its files at this time that essential the principal thing that the assessment teams would have known was this was a 1960's building?

A. Yes.

30 Q. And the structural and seismic standards buildings were required to meet in 1960 were significantly below those for a modern building post 1974 weren't they, or sorry, 1994?

A. Yes. That's correct.

Q. So looking back on this do you not think it would have been more sensible and conservative to have placed an orange or yellow sticker on this building?

5 A. At the time on the 5th of September I think they were doing exterior assessments only.

Q. Mmm.

10 A. Unless there was something to trigger that I can't see a reason to put a yellow or an orange sticker on a building if there's nothing obvious why would you do that. We were in a position I think from the 5th of September to the 10th of September, when the cordons were completely lifted that where some sort of assessment had to be made. The agreed formula was the building safety evaluation technique, that the Department of Building and Housing had formulated after the Gisborne earthquakes and that was our guideline so that's what we undertook, we were – it was very prescribed, we were – we had all of the experts there, we did what our guideline directed us to do.

15 Q. So the fact that it is a 1960's building on the face of it well behind current seismic standards, that doesn't get any weight?

A. At the initial stage in the assessment, no it doesn't.

20 Q. I'll ask one further question because I realise it's five o'clock, when the Council was doing its assessments in this period, what position had it taken if any, about the future aftershock or earthquake risks following September?

25 A. The Council was very well aware that there were aftershocks, imminent or indeed occurring, so we took the view that if a building was anything other than green and a commercial building, that we would cordon it off or brace it or make it secure in a way that public safety was assured and that people couldn't get access to buildings that were unsafe.

30 Q. But would you expect this assessment team to have been told, assess the building against a certain level of predicted possible aftershock or earthquake?

A. I think what you have to realise is the placarding system was a civil defence response, the civil defence emergency stopped on the 16th of September, we were left then in the position where it was the

5 placards were still on the building, that was a signal to building owners, to engineers, what we considered the state of the building to be in, so I think you have to realise the placards were designed to address a point in time. I think that quite effectively did that and we responded appropriately but I think what happened over time was that, and certainly because of the number of earthquakes we had, that the placarding system gained a momentum that it was never designed to have.

10 Q. Well it's an interesting response but not the response to the question I asked, so let me ask you again?

A. Please do.

15 Q. Do you think that this assessment team when it went out would have been given advice on a particular level of future earthquake or aftershock magnitude to which it should be working and doing these assessments?

A. On the 5th of September, no that wasn't, that directive wasn't given to them.

WITNESS STOOD DOWN

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COMMISSION ADJOURNS: 5.07 PM