



THE RESIDENTIAL ADVISORY SERVICE:

Collaborative governance after a New Zealand disaster

This report is dedicated to Michelle Mitchell (1966-2016), Deputy Chief Executive Social Recovery, Canterbury Earthquake Recovery Authority, and deeply respected Chair of the Residential Advisory Service Governance Group 2013-2015

HE KŌTUKU RERENGA TAHI
A white heron flies once

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CONTENTS

ABSTRACT	4
ACKNOWLEDGEMENTS	4
DISCLAIMER	4
EXECUTIVE SUMMARY	5
1: INTRODUCTION TO THE REPORT	8
1.1 Context	9
1.2 Scope	10
1.3 Methodology	10
1.3.1 Ethics review	10
1.3.2 Document analysis	10
1.3.3 Interviews	10
1.3.4 Data analysis	10
2: RAS GOVERNANCE: DESIGN AND IMPLEMENTATION	11
2.1 The RAS in context: a disaster recovery initiative	11
2.1.1 Initial conditions: scale and complexity	11
<i>Existing sector arrangements fuel cross-sector tensions</i>	14
<i>Emerging residential recovery networking</i>	15
2.1.2 Agreeing on 'the problem' and a potential solution	16
2.1.3 Establishment of the collaborative governance group	17
2.2 Issues and analysis	18
2.2.1 Limitations of existing arrangements	18
2.2.2 Cross-sector tensions	18
<i>Coordination: private and government insurers</i>	19
<i>Coordination: the Christchurch City Council, insurers and clients, and the Canterbury Earthquake Recovery Authority</i>	20
2.2.3 Relationship issues: building trust through collaborative governance	21
2.2.4 The temporal trade-off: consensus-building versus timeliness	22
2.3 Conclusion	23
3: DELIVERING RECOVERY OUTCOMES OF PUBLIC VALUE 2013-2015	24
3.1 The RAS 2013-2015	24
3.1.1 The RAS service	24
3.2 The RAS Governance Group: introduction	26
3.2.1 Founding values	26
3.2.2 Governance Group tasks	27
3.2.3 Independent by design	28
3.2.4 The dual focus of the RAS Governance Group	30
3.3 Enhancing the service: technical information	31
3.3.1 Pro bono technical expert advice	32
3.3.2 Funded professional technical desk-top review	32
3.3.3 Practical expert advice on the ground	33
3.4 Coordinating the management of residential recovery issues	33
<i>The community sector</i>	34
<i>The Christchurch City Council</i>	34
<i>The insurance and central government sectors</i>	36
3.5 Issues and analysis	38
3.5.1 The challenge of community representation	39
3.5.2 The independence challenge	40
3.5.3 The challenge of rapid change	42
3.5.4 Leadership challenges	43
CONCLUSIONS	45
REFERENCES	48
APPENDIX 1	51

ABSTRACT

The report presents the findings of a six-month case study of the collaborative governance of the Residential Advisory Service (RAS), with a view to informing policy and practice, including the development of future cross-sector governance arrangements. It outlines the collaborative establishment and governance of this independent, free public service, from pre-design stage until it began a protracted wind-down process in December 2015. Drawing on documentary evidence and expert perspectives and experience, the report discusses the recovery dynamics that produced the RAS, the value added and issues faced by its collaborative governance arrangement, and makes recommendations concerning the implementation of collaborative governance after future disasters.

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The case study was commissioned by the RAS Governance Group and funded by the Earthquake Commission, under its statutory role to facilitate research and education.

DISCLAIMER

This research was funded by the Earthquake Commission under the Science to Practice program. The views presented are those of the author, and do not necessarily reflect the views of the Earthquake Commission, the University of Canterbury, participants and current RAS staff, Governance Group members or the organisations they represent.

EXECUTIVE SUMMARY

This report presents the findings of a six-month case study of the collaborative governance of the Residential Advisory Service (RAS).

This free service was established after the Canterbury Earthquakes to provide support to property owners struggling with residential recovery. The majority of the residential repairs and rebuilds required as a result of this disaster were funded – and largely managed – by the Earthquake Commission and private residential insurers in combination. These stakeholders were represented in the collaborative RAS governance group, which also included an independent community representative and senior representatives of the other major RAS funding organisations, the Canterbury Earthquake Recovery Authority and the local territorial authority the Christchurch City Council. Private insurers were represented by the Insurance Council New Zealand, which coordinated their funding contributions. Six key findings and recommendations follow:

1. Limitations of existing sectoral arrangements

A lack of recent experience of large-scale urban disasters contributed to expectations of rapid residential recovery progress following the Canterbury Earthquakes. The scale of this residential recovery task was potentially overwhelming, such that relatively small proportions of the affected population nonetheless constituted many thousands of residents. The resulting mismatch between expectations and the reality of the task fuelled early residential recovery tensions. The complexity of the recovery environment combined with existing government, private and community sector arrangements to generate a range of sector-specific views of residential recovery issues. Since each sector focused on causal factors outside its own sphere of influence

- Each attributed blame for issues to other sectors, which increased mistrust on all sides
- Cross-sector recovery networks emerged, as it became clear that new adaptive governance arrangements would be required to coordinate residential recovery.

RECOMMENDATION 1

Anticipate that large-scale residential recovery will require early cross-sector approaches to address issues affecting significant numbers of residents, to mitigate the potentially harmful impacts of mutually reinforcing cross-sector misunderstanding, blame attribution and mistrust. Draw from existing knowledge. Investigate and record new initiatives (share what did and did not work).

2. The need for cross-sector collaboration

The development of the RAS illustrates why it is necessary to collaborate across sectors to understand and address complex issues with immediate social consequences. When representatives from insurer, government and community networks shared sector-specific knowledge, each provided a key element of the composite view that brought ‘the problem’ affecting claim settlements at that point in the recovery into clear focus:

- Clients were not responding to insurer offers because they found them too legally and technically complex to understand
- Clients did not trust insurer or government sources to provide the unbiased advice they required, due to insufficient cross-sector coordination and an associated climate of mistrust
- No existing service could provide legally/technically informed advice specific to each situation, from a source independent of insurer, government – and client – interests.

This collective identification of the problem made it possible to forge cross-sector agreement to collaboratively fund, implement and govern the RAS to address the identified need.

RECOMMENDATION 2

Use collaborative governance approaches to address complex issues with social impacts. Identify key stakeholder sectors (in this case the insurance, community and government sectors) in decision-making from pre-design stages on, to ensure relevant knowledge is brought to bear on the issue and that decisions are in the interests of all. Innovate to include community influence/interests.

3. Independence

Independence was essential to counter the mistrust that prevailed between key residential recovery sectors. To achieve and demonstrate this independence, the RAS balanced sectoral interests and influence at three levels:

- *Independent advice:* mistrust and blame attribution were driving strong demand for a service that would advocate for clients against insurers. It was important that those designing and providing the service resisted this demand. Advice that was independent of both clients and insurers was key to reducing mistrust on both sides, in order to bring them to agreement concerning the relevant claim settlements.

- *Independent service*: clients did not trust advice from insurers or government. An independent service provider with an established record of community service was recruited to demonstrate that the insurer and government interests represented in the Governance Group could not directly influence advice provision
- *Independent governance*: representation of sector knowledge/interests across the Governance Group was balanced to ensure that decisions were based on collective knowledge, and remained independent of any one sector. This balance was reinforced by consensus-based decision-making, collaboratively developed values, a transparent public profile, and accountability to residents and communities affected by the recovery.

RECOMMENDATION 3

When designing collaborative governance arrangements aim for independence by: balancing input and influence from all key stakeholder sectors; focusing on providing outcomes of public value; and ensuring support provision balances stakeholder interests. Resist the pressure to provide an advocacy service.

4. Vertical integration within complex networks

The RAS was produced out of the complex adaptive governance networking that emerged to address recovery issues. This collaborative governance arrangement continued to function as an important node in these wider networks. It used formal structure and functions to stabilise a point of intersection between wider community and government/insurer networks, facilitating vertical integration. Caseload data brought the detail of issues experienced by residential property owners to the immediate attention of the Governance Group. Governance Group members had the authority and connections required to access and channel the financial, technical, legal and administrative resources necessary to adapt the service provided by the RAS and to intervene to resolve issues and raise awareness across the wider residential recovery. The flow of information and resources enabled by this vertically integrating arrangement relied on:

- *The prioritisation of residents and communities* as primary stakeholders, and the inclusion of community influence and input at both governance and operational levels
- *The provision of a professional independent service to the public free of charge*, which reported/recorded detailed data
- *The capacity of the manager to link* vertically between service delivery and governance group levels, and horizontally across the residential recovery operation
- *The seniority of the Governance Group*, which built commitment to the collaboration and provided 'behind the scenes' influence.

RECOMMENDATION 4

Maximise the utility of collaboratively governed services through vertically integrated structures, so that case-load data and community influence at governance level can inform both review/revision of service provision, and also the cross-sector awareness required to identify and address obstacles to residential recovery as/where they arise.

5. Flexible, adaptive leadership

Governance Group members were required to balance business-as-usual approaches against those required to achieve RAS goals, against the wider backdrop of post-disaster blame attribution. This involved:

- Balancing the RAS collaborative commitment to communities and public outcomes against accountabilities to home organisations/sectors
- Moderating home organisation/sector anxieties about risks associated with the transparency of the RAS, and the inability to claim credit or goodwill from their investments
- Generating the higher-level support within home organisations/sectors to maintain and enhance the RAS service, and to resolve issues identified in service data.

Although outside the immediate scope of this research, it is important to note that the RAS also relied on adaptive leadership from champions outside the RAS in community networks and at national level in both government and insurance sectors. This support helped to grow the RAS profile and made it possible for the Governance Group to respond to evolving recovery issues by continuing to fund and adapt the service, and addressing issues at their source.

RECOMMENDATION 5

Put measures in place in government and private sector organisations to identify, measure and actively incentivise flexible leadership styles and cross-sector engagement in adaptive and collaborative governance arrangements after disasters, to reduce the inhibiting effects of conventional sector arrangements.

6. Plan for flexibility over time

The RAS was a response to the early recognition, in 2012, that many homeowners were unable to understand the legal language and implications of insurer offers. The service answered this need by providing homeowners with free access to legally qualified advisers. In return, it gathered the detailed information needed to keep the Governance Group aware of wider residential recovery issues. Almost immediately, this information indicated that as property owners moved into the managed repair and rebuild stages of claim settlement they required technical support; the Governance Group responded by adapting the service to provide it.

This feedback process allowed the RAS collaboration to develop through an ongoing cycle of review and adaptation. The Governance Group continued to bring their collective knowledge to bear to identify a 'problem' that underwent continuous change as the recovery progressed, and kept adapting the service to address it. This adaptive capacity underpinned the success of the service. But it also made it difficult to forecast demand, and plan accordingly. Expectations and budgeting continued to underestimate future demand for the service.

RECOMMENDATION 6

Recognise that in the rapidly changing recovery environment there are no 'quick fixes.' Collaborative governance platforms make it possible to identify and respond to changing recovery needs with targeted services provided to affected residents free of charge. Plan for flexibility over time by:

- Ensuring that service delivery data informs the ongoing situational awareness required to identify new and changing needs, and to adapt the service in response
- Designing timelines in anticipation of changing demand (rather than on the basis of early needs).

7. Lessons for future recovery

New Zealand's disaster risk management framework largely delegates responsibility for disaster risk and management to regional and local levels. Large complex residential recoveries directly impact local communities and authorities, but are always likely to exceed local connective and resourcing capacity. The vertical integration required to resolve this impasse can be provided through formally structured collaborative governance arrangements that, like the RAS, arise from and remain strongly linked into recovery networking focused on the configuration of issues unique to each disaster. Neither networking nor configuration can be predicted in advance, making it difficult to plan collaborative governance responses to future recovery issues.

United Nations member states, including New Zealand, have adopted the Sendai Framework for Disaster Risk Reduction 2015-2030. The principle underpinning the RAS is cross-sector collaboration, focused on benefiting the people and communities (potentially) affected by disaster. Widely recognised as best recovery governance practice, this principle is also the founding premise of the Sendai framework. The development of cross-sector disaster risk management coordination platforms is a Sendai priority action. Current reviews of key elements in New Zealand's disaster risk management legislative framework provide an opportunity to implement this priority action. Drawing together representatives from community, government, private and NGO sector from local, regional and national levels such platforms would allow collective decision-making on a regular basis. Building high-level awareness and early warning of disaster risk as it occurs across these levels, this approach would also increase local awareness of national priorities, and lay the groundwork for the rapid emergence of flexible, adaptive, vertically integrated governance arrangements after disasters.

RECOMMENDATION 7

Ensure that decentralised disaster management plans anticipate and incentivise:

- Adaptive leadership, and flexible governance arrangements that bring representatives from key community and local government stakeholders together with national-level representatives from key government and private sector organisations
- The development of collaborative governance in response to community need by drawing from recovery networks that have arisen around the set of issues specific to the relevant disaster.

RECOMMENDATION 8

Build long-standing cross-sector relationships by developing vertically integrated disaster risk management frameworks that bring together local, regional and national representatives from a range of communities, and non-governmental, governmental and private sector organisations to jointly contribute to decision-making.

1: INTRODUCTION TO THE REPORT

This report presents the findings of a six-month case study of the collaborative governance of the Residential Advisory Service (RAS), which was established in the aftermath of the Canterbury Earthquakes.

This destructive sequence began on 4 September 2010 with the Mw 7.1 Darfield earthquake. As it trended eastwards across Christchurch, New Zealand's second largest city (population 390,300 as at June 2010 stats.govt.nz), a further three large earthquakes contributed to 185 deaths, more than 6,500 injuries, and widespread damage to more than 90% of residential housing in the affected region.¹

Very high rates of residential insurance meant that most homeowners had to engage with insurers to initiate residential repairs and rebuilds.² The RAS was established in early 2013 to provide support to those homeowners struggling to settle claims for earthquake damage to their homes.

The RAS Governance Group included an independent community representative, and senior representatives of initial RAS funding

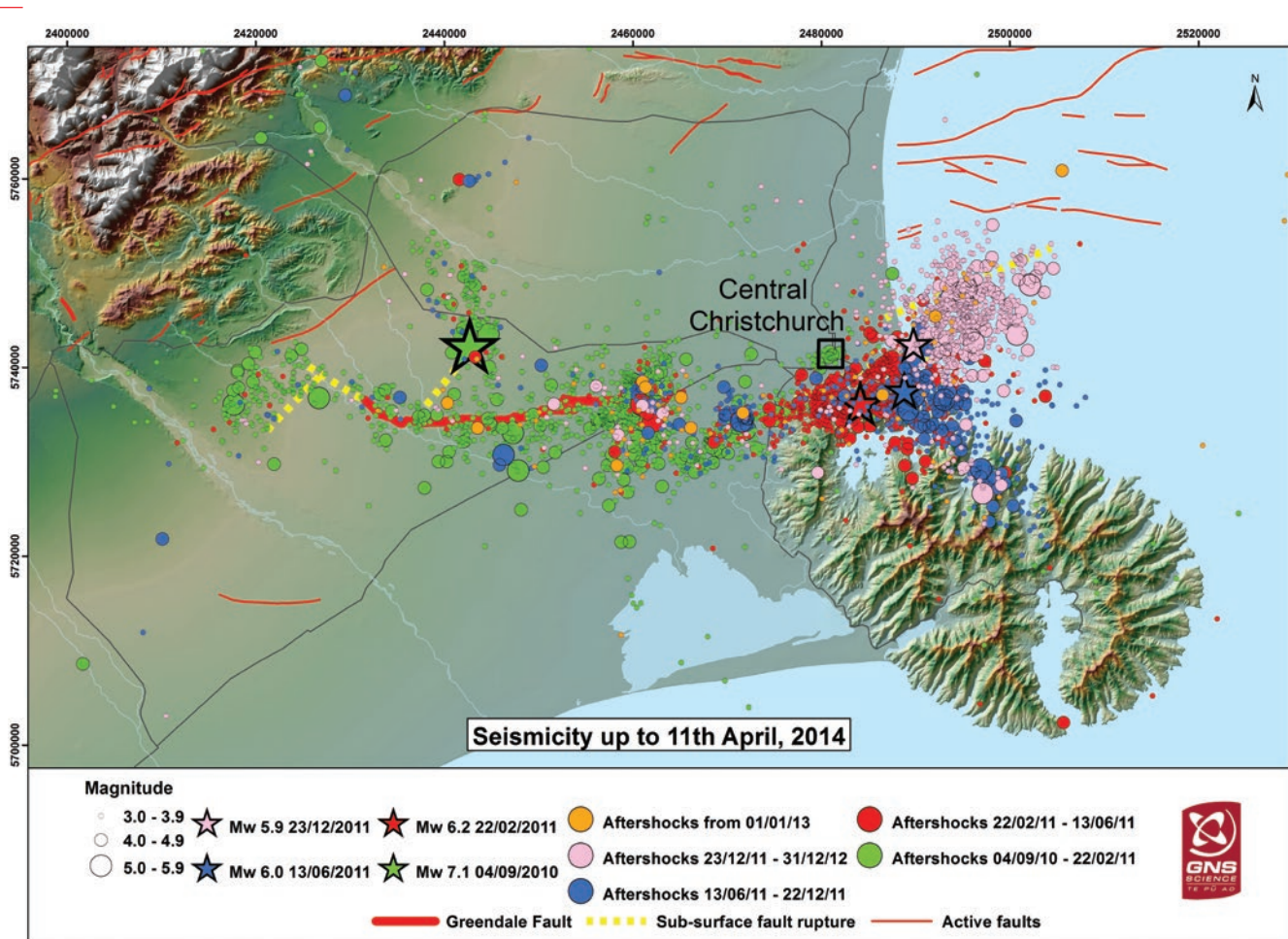


FIGURE 1: THE CANTERBURY EARTHQUAKE SEQUENCE FROM 4 SEPTEMBER 2010 – 11 APRIL 2014 (TAKEN FROM GNS SCIENCE GNS.CRI.NZ)

1 For the earthquake sequence and associated damage, see Bradley Quigley Van Dissen & Litchfield 2014; for deaths and injuries see Johnston et al. 2014.

2 Unless otherwise specified, references to 'the insurance sector' include private residential insurers, Government insurers including the Earthquake Commission and Southern Response, and reinsurers. References to 'insurers' are similarly inclusive, referring to all private and Government residential insurers active in the Christchurch recovery, including the Earthquake Commission and Southern Response, a Government claims settlement organisation. The terms homeowner and property owner are used interchangeably throughout this report to refer to residential property owners, irrespective of whether the property owned was their own home, or rented to others. Note that in the 2013 Census 67.9 percent of households in greater Christchurch owned their home, down from 69.7 percent in the previous census, in 2006.

organisations: the Canterbury Earthquake Recovery Authority, the Earthquake Commission, the local territorial authority, the Christchurch City Council, and the Insurance Council New Zealand, which represented and coordinated funding from private insurers and the Government claims settlement organisation, Southern Response.³ The research was requested by the RAS Governance Group, and commissioned by the Earthquake Commission, as part of its Science to Practice programme. Broad objectives were to increase understanding of how and why this collaborative governance arrangement emerged and evolved as part of wider residential recovery dynamics, and to draw out lessons and insights to inform policy and practice. It is expected that the findings will be particularly applicable to the strategic development of future cross-sector collaborative governance arrangements, in the New Zealand context, and after disasters.

1.1 Context

Establishing collaborative governance arrangements to provide public goods is a strong emerging trend, as governments are increasingly called on to partner with organisations across sectors and civil society in response to complex public problems that they cannot successfully address alone.⁴ It is widely agreed that this trend is driven by increasing turbulence in contemporary decision-making environments.⁵ Collaborative governance has been defined as ‘a process in which public and private actors work collectively in distinctive ways, using particular processes, to establish laws and rules for the provision of public goods’.⁶ The emphasis on particular processes, laws and rules distinguishes collaborative governance from the closely related but much broader concept of adaptive governance. As Aoki notes, the idea of adaptive governance is based on the premise that ‘loosely coupled entities can accommodate institutional variety, allowing a mix of governance arrangements to spontaneously emerge in anticipation of, or in reaction to, often undesirable changes’.⁷ Collaborative governance can often be an element in that mix, since the use of more formal structures and rules can offer a coherent and clear-cut solution to a particular element in a larger complex, multifaceted social problem. Collaborative governance arrangements focus on the conditions and governance mechanisms required to develop local targeted solutions.⁸ Recent growth in collaborative governance is so great that it has been suggested that the interweaving of public, private

and non-profit sectors has become the primary instrument of public action in the 21st century.⁹

The RAS was established in the aftermath of the Canterbury Earthquakes as an independent, free public service. It was collaboratively designed and governed by representatives of government, insurance and community sectors. Fulfilling all six of the criteria required to meet the above definition,¹⁰ this collaborative governance arrangement is the subject of the case study.

There is little published research concerning the use of collaborative governance to address residential recovery issues, or in disaster recovery environments. Research into the use of such arrangements in business-as-usual contexts indicates that the success of collaborative governance arrangements depends on their capacity to produce outputs of public value, and to adapt in response to change. Four broad factors have been found to influence this capacity: conditions leading up to and including establishment; the way collaborative governance is structured; leadership; and the ongoing development of collaborative governance processes.¹¹ Further research is required to understand the extent to which interactions between these four factors influence adaptive capacity over time,¹² and to understand the way that collaborative governance arrangements function as complex dynamic systems, enmeshed in a larger network of multiple dynamic systems.¹³

The RAS collaborative governance arrangement is unusual in the existing literature in that it is small, and tightly focused on providing a public service with a finite lifespan, since it is anticipated that the support it provides will be required only in the short to medium term. This independent advisory service was produced by the wider cross-sector networking and adaptive governance arrangements that emerged in response to the complexity and pace of the early recovery environment in Canterbury. As a result, the RAS became an active node at junctions between the larger dynamic recovery systems that were emerging across local, regional and national levels, and between community, government and private sectors. These characteristics made it a good candidate for a case study that explored the need for collaborative governance arrangements after disasters, and identified factors conducive to their success. Addressing the ‘gaps’ in current scientific literature briefly outlined above, the case study was informed by collaborative governance literature and organisation and complex systems theory. The focus was on the identification and dissemination of lessons going

3 Southern Response was established by the government to settle the claims of a former insurance mutual company, AMI, when it failed due to over-exposure in Christchurch.

4 Bryson, Crosby, & Stone, 2015, Kettl 2015.

5 Bryson, Crosby & Stone 2015, Qvist 2016, Ansell & Gash, 2008.

6 p. 545, Ansell & Gash 2008.

7 p. 21, Aoki, 2016. See also Djalante et al. 2011.

8 Qvist 2015.

9 Kettl 2015.

10 These are 1) Public agency initiation; 2) Involvement of non-state actors; 3) Direct engagement of all Governance Group members in decision-making; 4) Formal organisation; 5) Consensus decision-making; 6) The provision of a public good (Ansell & Gash 2008).

11 Bryson, Crosby and Stone 2015.

12 Bryson, Crosby and Stone 2015; Imperial & Koontz 2007.

13 Bryson, Crosby and Stone 2015.

forward. The wider aim was to contribute to existing guidelines and scientific literature, in order to support the development of future cross-sector collaborations that produce public value.

1.2 Scope

The scope includes an outline of the circumstances that gave rise to the RAS, which illustrates the complexity and intensity of the early recovery environment, and an analysis of the development of this collaborative governance arrangement over the first three and a half years of operation. The phasing down of the RAS began when the Canterbury Earthquake Recovery Authority hosting role was transferred to the Ministry of Business, Innovation and Employment in December 2015, and is still ongoing. The entire phase down period falls outside scope. RAS operations only falls inside this scope where it interfaces with the Governance Group, or as evidence of the outcomes of Governance Group decision-making. The wider residential recovery environment similarly falls inside scope only to illustrate the extent to which the RAS collaborative governance arrangement was produced by that environment, and continued to actively contribute to it at service delivery, management and Governance Group levels.¹⁴

1.3 Methodology

1.3.1 ETHICS REVIEW

The research was conducted in accordance with the Royal Society of New Zealand code of ethics. After review by the University of Canterbury Human Ethics Committee, the project was approved on 16 June 2016.

1.3.2 DOCUMENT ANALYSIS

In addition to peer-reviewed literature, the research draws from a range of documents concerning the recovery environment, the emergence and function of the RAS Governance Group, and the development of the service it was established to oversee. These documents were sourced from the public domain, from RAS management, and from current Governance Group members. They included grey literature, confidential scoping documents, and material provided to Ministers, as well as Memoranda of Understanding, Terms of Reference and other founding documents, reports and meeting minutes.

1.3.3 INTERVIEWS

Current and previous RAS Governance Group members and those involved in setting up the service were invited to participate in semi-structured key informant interviews. Participation was voluntary and confidential. Interviews were digitally recorded and transcribed.

A confidential records management process was established. No confidential records (including participant details, recordings, transcripts and other files generated as part of the research process) were retained by the researcher upon completion of the project.

1.3.4 DATA ANALYSIS

Transcript data and documents were coded and analysed using framework analysis, a qualitative data analysis approach developed in the policy research context.¹⁵ Text segments were assigned summary words or phrases, and grouped into themes and categories through an iterative process.¹⁶ Analyses of documents and transcripts were carried out separately, allowing analysis outcomes to be compared to each other, and to established findings.¹⁷

¹⁴ Note that the Residential Advisory Service includes service delivery, management and Governance Group branches of the organisation. The RAS service is used in this report to refer to the service delivery branch.

¹⁵ Ritchie Spencer & O'Connor 2003.

¹⁶ Boeije 2002.

¹⁷ Thomas 2006.

2: RAS GOVERNANCE: DESIGN AND IMPLEMENTATION

Increased environmental complexity, such that the 'ground is in motion,' necessitates linkages among organisations... Cross-sector collaborations are more likely to form in turbulent environments.¹⁸

2.1 The RAS in context: a disaster recovery initiative

The Residential Advisory Service was developed by a cross-sector collaboration in the aftermath of the Canterbury Earthquakes. This chapter draws from available material (much of it in the public domain) to illustrate aspects of the recovery environment that drove the adaptive governance networking that gave rise to the RAS. The aim is not to provide a definitive account or comprehensive analysis of this phase of the residential recovery, but rather to clarify the complexity and intensity that drove the early involvement of the Governance Group in the design and implementation of the RAS service. It introduces the organisations, groups and sectors that came together in the Governance Group, and outlines the different role each was required to play in the residential recovery, and the ways that affected their understanding of the issues. The chapter provides an analysis of:

- The influence of the New Zealand insurance system on the residential recovery
- Early collaborative engagement to identify issues impeding residential recovery progress, and agree on a solution that balanced the interests of those involved
- Factors that made the recovery environment conducive to collaborative action.

2.1.1 INITIAL CONDITIONS: SCALE AND COMPLEXITY

The 2010-2011 Canterbury Earthquakes caused at least some damage to approximately 167,000 residential dwellings, approximately 90% of all dwellings in the greater Christchurch area¹⁹. The extent and distribution of dwelling damage rendered the residential rebuild potentially overwhelming. Residential recovery issues of some kind were inevitable, given the scale of the task. To grasp the nature and extent of the specific issues

that were addressed through the collaborative development of the RAS, however, it is useful to appreciate the way these issues were generated and shaped by the interaction of this damaging sequence of events with the social, commercial and legislative New Zealand context at the time.

The single greatest influence on the way this residential recovery unfolded was the New Zealand insurance system. Entering into a residential insurance contract with a private insurer in New Zealand automatically insures the relevant house against natural disaster damage. Up to NZ\$100,000 of this cover is provided for damage to the dwelling (with additional cover for land and contents) by a government insurer, the Earthquake Commission, as long as the contract with the private insurer is in force.²⁰ Cover for claims above this cap is provided by the private insurer. In the event of a claim, the Earthquake Commission and the private insurer are required to agree as to whether damage assessments and costs will fall above or below the \$100,000 cap before the claim can be settled.

Driving high uptakes of residential insurance in New Zealand, this system ensured that the vast majority of affected property owners were covered for the damage caused by the earthquakes.²¹ But at the same time it also made insurers (including the Earthquake Commission) collectively liable for funding and in many cases managing over 90% of this residential recovery.²² The way natural disaster cover was divided between government and private insurers meant that the bulk of early assessment and claim settlement work fell to the government insurer, the Earthquake Commission. By December 2012, as the RAS was being established, the Earthquake Commission had conducted 187,646 full dwelling assessments since 22 February 2011, from a total of 269,421 dwelling assessments since the initial 4 September 2010 earthquake. Five years later, as of 29 January 2016, 22,684 claims had been passed to private insurers; of these, 8,953 had been cash settled, with 6,765 rebuilt or repaired.²³ The Earthquake Commission had repaired 67,374 undercap properties and cash settled a further 72,440 undercap properties.

¹⁸ p.45-46, Bryson Crosby & Stone 2006.

¹⁹ In early 2016, the Earthquake Commission had received more than 167,000 claims for damage to dwellings (the Earthquake Commission). The 2013 census recorded 185,880 dwellings in the greater Christchurch region, of which 148,794 were in Christchurch city. This indicates that at least 90% of dwellings in the Greater Christchurch region (which includes Christchurch, Waimakariri and Selwyn districts) were damaged by the earthquakes. Disaggregated figures by district are not available, but the distribution of earthquakes and topographic features indicates that the vast majority of damaged dwellings were in the Christchurch district.

²⁰ The relevant contract must include fire cover: 'where a person enters into a contract of fire insurance with an insurance company in respect of any residential building situated in New Zealand, the residential building shall, while that contract is in force, be deemed to be insured under this Act against natural disaster damage' (Section 18:1, Earthquake Commission Act 1993).

²¹ This has recently been found to be as high as 99% at the time of the earthquake (Department of the Prime Minister and Cabinet, 2017).

²² Earthquake losses comprised 20% of New Zealand GDP; 80% of these losses were covered by insurance (Cowan, Dunne, & Griffiths, 2016). Up to 95% of all residential housing in greater Christchurch was insured when the earthquakes began (Brown Seville & Vargo 2013). Many policies provided for full replacement; the Earthquake Commission also offered managed repairs, following a government decision soon after the initial September 2010 earthquake (Cowan, Dunne & Griffiths 2016).

²³ Insurance Council New Zealand.

Again, in view of the 185,880 total dwellings recorded in the greater Christchurch region by the 2013 government census, these figures underline both the enormous scale of the residential recovery and the extent of the early customer engagement task required of the Earthquake Commission.

The New Zealand insurance system required that the residential recovery had to occur through contractual relationships between insurers and their clients. These relationships were complicated by the division of natural disaster cover between government and private insurers. Turning the two-party contract between client and private residential insurance provider into a three-party contract, this insurance system created three sets of legal obligations: between client and private insurer, client and government insurer and private and government insurer. Behind each contract, a further contractual relationship linked each insurer with an international reinsurer.²⁴ This secondary contract extended to the level of the individual contract with each client, and relied upon this contract (Figure 2).

In combination, the effects of this insurance system greatly increased the legal and logistical complexity of the rebuild operation after the earthquakes. In most cases the process of redressing damage to housing began with an assessment conducted by the Earthquake Commission.²⁵ If it was estimated that the property would cost more than \$100,000 to repair, the claim was passed on to the insurer.

Then the client and insurer (whether private or the Earthquake Commission) needed to agree on the extent and type of damage, how much it would cost to repair or rebuild, and whether the insurer would cash settle or carry out the work.²⁶ Although reinsurers remained largely in the background, leaving it to insurers

(private or the Earthquake Commission) to settle claims on their behalf, they retained the right (under their contracts with the relevant insurers) to audit and require information to ensure that settlements were consistent with policies.

A further complicating factor was that at the time, almost all residential insurance policies provided for 'total' or 'full replacement' of the insured property. This type of cover is unusual internationally, where an agreed 'sum insured' usually caps a liability at a known sum. The prevalence of 'total replacement' cover in Christchurch prior to the earthquakes significantly increased claim settlement timeframes, since it takes much longer to repair or rebuild a house than it does to cash settle claims.

Total replacement cover also meant that the cost of rebuilds could not be known until the rebuild was completed. As a result, neither insurers nor reinsurers had a firm sight on their ultimate liability for restoring earthquake-damaged residential housing. This arrangement also significantly increased the challenge of managing entitlement expectations, and the scope for disagreement between clients and insurers.

Settlements are negotiated within terms set by the contractual/legal relationships between clients and their private and government insurers. In the event of a claim, these terms are designed to balance the financial interests of the private insurer and/or government provider against those of the claimant. In the first two years of the earthquake sequence, however, assessing where this three-way point of balance lay became challenging for both claimants and insurers, as the legal and technical complexities of this task were exacerbated by the rapidly changing recovery environment.

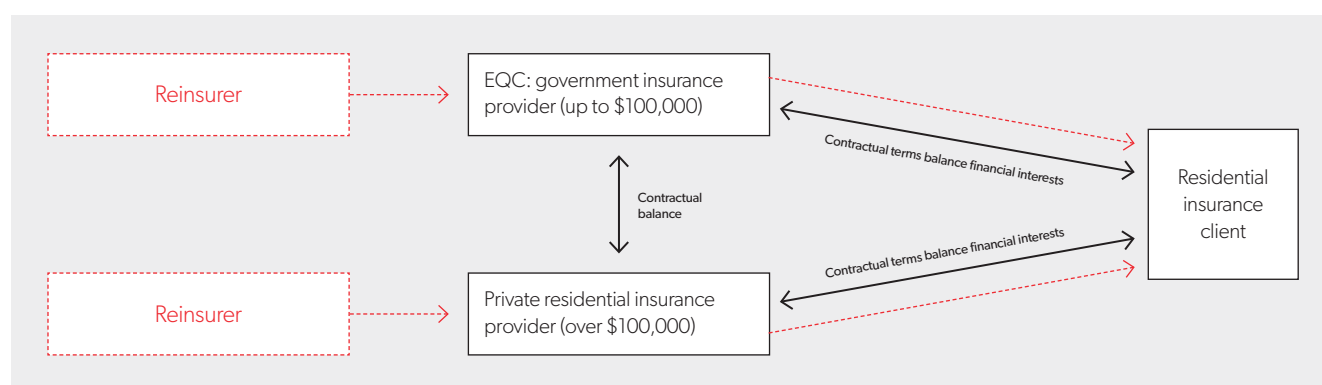


FIGURE 2: THE THREE-WAY CONTRACTUAL RELATIONSHIP BETWEEN CLIENT, THE EARTHQUAKE COMMISSION AND PRIVATE INSURER

24 Each insurer relied on a large number of reinsurers at any given time.

25 Note that the Earthquake Commission also paid out on claims for emergency repairs, when homeowners had hired contractors to assess and rapidly repair damage to make homes safe, sanitary, secure and/or weathertight.

26 When a claim was obviously below the NZ\$100,000 cap, 'agreement' between the Earthquake Commission and the insurer was automatic. The majority of claims (~140,440) fell below cap. 19,251 claims were for more than NZ\$100,000, and handled by private insurers (figures provided by the Earthquake Commission and Insurance Council New Zealand respectively). A further 7,100 properties were zoned red and purchased by the government, with all respective outstanding insurance entitlements passing to the government for collection. The Earthquake Commission also settled more than 180,000 contents claims and 150,000 land claims (figures provided by the Earthquake Commission). An additional 65,000+ residential claims were handled by private insurers for damage to driveway surfaces, fences, pools and other external features that were outside the Earthquake Commission scope (figure provided by Insurance Council New Zealand).

Four large earthquakes approximately six months apart compounded damage to houses and land. Each new event set back progress in claim settlements, repairs and rebuilds, and fuelled public and political focus on the residential recovery.²⁷ Unanticipated grey areas in the law emerged, with implications for the distribution of liability across more than one claim lodged for the same property, for damage caused by different earthquakes. A 2012-2014 sequence of judicial reviews clarified the law, but in doing so further revised the insurance landscape. Claim settlement, consenting and repair and rebuild processes were further complicated throughout 2011 and 2012 by the introduction of progressive changes to building regulations, and the implementation of associated new land zoning categories (including the Canterbury Earthquake Recovery Authority red and green zones, and Ministry of Business, Innovation and Employment technical green zone categories).²⁸

In 2011 and 2012 the enormous volume of claims, and the legal and technical complexity of the decisions required to settle them resulted in perceived congestion at early points in the claim settlement process. Residential recovery was an urgent necessity for communities and residents coming to terms with the life-changing implications of extensive damage to their homes in several neighbourhoods. The scale and extent of building damage meant that many continued to live with housing damage that ranged from minor to severe. The residential recovery task rested on the three-way contractual relationship between insured residents and private and government insurance providers. For both these reasons, community and insurance sectors bore the immediate burden of the residential recovery, and were directly affected by the perception of an emerging bottleneck effect at the initial stages of claim settlement.

The government sector was also affected by early residential recovery issues. New Zealand is a constitutional monarchy. The unitary central government is made up of elected members of Parliament, and operates on the basis of the electoral mandate provided by citizens. Local recovery planning and implementation is one of the powers delegated by central government to 11 regional councils and 67 territorial authorities, also democratically elected.²⁹ Under the Civil Defence and Emergency Management Act 2002, regional councils and local territorial authorities are required to coordinate local recovery planning and implementation, in partnership with emergency services, central government agencies, infrastructure services and non-governmental organisations.³⁰

After the 4 September 2010 earthquake, recovery coordination remained the responsibility of regional councils and local territorial authorities until the 22 February 2011 earthquake.³¹ In response to the scale and intensity of the damage caused by that event a state of national emergency was declared. In April 2011 the Canterbury Earthquake Recovery Act established the Canterbury Earthquake Recovery Authority, a central government agency based in the affected region. The Canterbury Earthquake Recovery Authority took over responsibility for the recovery strategy on 1 May 2011. Under the Act the new authority was required 'to facilitate, co-ordinate, and direct the planning, rebuilding, and recovery of affected communities, including the repair and rebuilding of land, infrastructure, and other property' and 'to restore the social, economic, cultural, and environmental well-being of greater Christchurch communities.'³² During 2011 and 2012 the Canterbury Earthquake Recovery Authority's Community Wellbeing team enacted this mandate by collaborating with insurers and social support agencies to implement the government offer to purchase red zone properties from residents. This team also worked collaboratively with the local offices of central agencies, regional and local authorities, community organisations and non-governmental organisations to develop the Canterbury Earthquake Recovery Authority Social Recovery Strategy, and to coordinate the delivery of a suite of social supports to address the earthquake recovery needs of residents and communities.

The Christchurch City Council is the local authority responsible for the district that experienced the greatest volume of residential damage overall, and where residential damage was most severe during the 22 February 2011 earthquake. Under (the then-current version of) the Local Government Act 2002 the purpose of this council at that time was to 'enable democratic decision-making and action by, and on behalf of communities', and 'to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future' (Section 2: 10 (a-b)).³³ The council was also responsible for a range of consenting and other activities required to ensure that residential repairs and rebuilds occurred as required under district planning regulations. The residential recovery put this local authority under enormous pressure on both fronts. The massive jump in the volume of consents required, together with a steep increase in the complexity of the consenting environment (due in part to new regulations) exceeded the capacity and practice approaches of consenting

27 After the February 2011 earthquake many insurers put a temporary halt on opening new insurance policies. stuff.co.nz/business/4745841/Insurers-halt-new-policies-after-Christchurch-earthquake. Some postponed the commencement of repairs or rebuilds until seismicity had declined.

28 King et al. 2014.

29 Local Government New Zealand 2017.

30 Civil Defence Emergency Management Act 2002. Note that this consortium is the CDEM Group (CDEM Group Plan Review 2009).

31 The Canterbury Earthquake Response and Recovery Act 2010 established a new recovery body in the region, the Canterbury Earthquake Recovery Commission, to improve coordination between local authorities and central agencies. Under this Act, however, the recovery operation remained the responsibility of local authorities or central agencies in accordance with the Civil Defence Emergency Management Act 2002. For a comprehensive account of recovery governance arrangements in Canterbury, see Johnston & Mamula-Seadon (2014).

32 Section 3 (f-g), Canterbury Earthquake Recovery Act, 2011.

33 This clause and wording is taken from the July 2011 version of the Local Government Act, 2002. Note that a major revision to the Act took effect in the August 2014 version, replacing the clause requiring local authorities to promote social, economic, cultural and environmental wellbeing with a clause requiring local authorities 'to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses'.

systems designed for usual times. Flow-on delays to repairs and rebuilds caused mounting concern among insurers, residents and central government. At the same time, as perceptions of slow rates of claim settlement came to the fore over 2011 and 2012, the Christchurch City Council also came under intense pressure from residents and communities requiring that it take action on behalf of residents to address these issues.

Existing sector arrangements fuel cross-sector tensions

In 2011 and 2012, concern about claim settlement progress and the associated stress on communities and residents fuelled political tensions and division. But although it was clear that rates of progress in claim settlement and repairs and rebuilds were becoming an issue, the complexity of the rapidly unfolding environment offered so many likely contributing factors it was difficult at the time to identify which of these factors were more causal. Organisations and sectors considered the issue from distinct vantage points. Each brought different likely causal factors into view, prompting a range of proposed solutions to the issue.

Insurers were well placed to recognise the effect on residential recovery progress of legal uncertainty (including that arising from the Earthquake Commission Act) concerning the distribution of the Earthquake Commission and private insurer obligations during a sequence of disaster events. This sector was also sensitive to the disruptive effects of ongoing court actions,³⁴ consequent court rulings, progressive changes to building regulations, the implementation of associated new land zoning categories, and delays in building consent processes on claim settlement progress. For insurers, the problem was that this environment continued to increase (and change) the legal and technical complexity of claim settlement processes and documents. To improve understanding of earthquake-related claim settlement information, insurers adapted in order to work with each other, the Canterbury Earthquake Recovery Authority, the Christchurch City Council and communities in the early recovery in an attempt to improve the consistency of earthquake-related messaging across these sectors, and to residents and clients.

Residents and communities expressed unhappiness about the difficulty of engaging with both government agencies and insurers, and the legal and technical complexity of insurance processes through a range of mediums, including national media interviews and events and social media, and through social supports and services and community organisations and non-governmental

organisations.³⁵ Much of this discontent attributed responsibility for the slow pace of the residential recovery to the government insurer, the Earthquake Commission, to private insurers, and to both central and local government, for failing to intervene to address the situation. Aggrieved residents put considerable pressure on elected Councillors to lobby the government to intervene in the insurance market on their behalf. Residents were aware of being at a financial disadvantage when wishing to dispute claim assessments, since they lacked the financial and legal resources available to government and private insurers.³⁶

Under the Local Government Act at that time the Christchurch City Council had a mandate to promote the social and economic wellbeing of residents, and enable 'democratic decision-making and action by, and on behalf of 'communities'. In July 2012 this council responded to pressure from residents by voting to send a formal letter to the Minister for Canterbury Earthquake Recovery, requesting the establishment of an independent insurance tribunal and advocacy service in Christchurch.³⁷ One of the assumptions behind this request was that disputed claim assessments were a key issue holding up progress in repair and rebuild processes. A legal advocacy service was perceived to have the capacity to address this issue by providing clients with legal support to match the resources available to insurers, while the independent tribunal they were requesting would have had the power to directly intervene in claim settlement processes to determine where the balance lay between the financial interests of insurers and those of claimants.

A tribunal with the authority to alter contractual relations between clients and insurers, however, carried the risk of impacting on the secondary contracts between insurers and international reinsurers. Reinsurer obligations were conditional on contracts between clients and insurers. The introduction of a tribunal with the power to alter the terms of those contracts could have exposed both the government and insured homeowners to significant financial risk. Reluctant to intervene directly in the insurance market, the government responded to the letter from the Christchurch City Council by developing thinking around the provision of an impartial advisory service.³⁸

Statements attributed in the media to the Minister for Canterbury Earthquake Recovery in July 2012 proposed that changes to private insurer processes and practice would increase rates of claim settlement, indicating that the government held private insurers largely responsible for slow claim settlement progress.³⁹ The government was also concerned about delays in consent application processing by the Christchurch City Council.

34 Note that some court rulings (as in declaratory judgments, and court rulings that clarified insurer approaches) made it easier to settle claims; the requirement for issues to be decided through court action, however, increased pressure on insurers in the early recovery.

35 Abdulatif 2011.

36 As one resident put it in an open letter dated 1 March 2013, 'Not all badly affected residents are in a position to seek independent advice on the application of their policy terms to their specific damage situation and not all residents are financially able to seek recourse in the Courts. These are the very people our government, the Canterbury Earthquake Recovery Authority and the Christchurch City Council should be supporting' (Jagger 2013).

37 Christchurch City Council Minutes 2012.

38 The letter from the Christchurch City Council is cited on the RAS website as the catalyst for the development of the RAS (RAS.org.nz).

39 Wright 2012.

Emerging residential recovery networking

It has been established from reviews of the 1964 Alaska Earthquake and Tsunami, the 1971 San Fernando Earthquake, the 1981 Loma Prieta Earthquake, and the 2011 Great East Japan Earthquake and Tsunami that major disasters can stimulate cross-sector collaboration, as it becomes clear that existing arrangements are not able to respond to recovery challenges.⁴⁰ In Canterbury new forms of adaptive networking emerged in this early recovery period within and between the community, government and insurance sectors, to raise awareness of issues with those understood to be best placed to address them. Affected residents came together through existing forums and new networks to join with non-government organisations to advocate for affected communities. Together with the Christchurch City Council's own community networking arrangements, which included suburban residents' groups and community boards, these new groups formed clusters focused on the needs of residents and communities. After the 22 February 2011 earthquake, for example, forty groups came together under the Canterbury Communities Earthquake Recovery Network (CanCERN) banner to form the largest formal consortium of community groups.⁴¹ CanCERN aimed to communicate the perspective of impacted residents to the Christchurch City Council, the newly established Canterbury Earthquake Recovery Authority and insurers. Many of its constituent groups were active in other arenas. Some were also represented in the 39-member Community Forum established, as required under the Canterbury Earthquake Recovery Act (2011) to advise the Recovery Minister.⁴² Several were also part of the Wider Earthquake Communities Action Network (WeCan). At the activist end of the spectrum, WeCan aimed to 'publicly highlight injustices,' 'openly challenge decisions, policies and practices' that obstructed recovery, and 'actively promote and support equitable just and visionary solutions for all'.⁴³ In July 2011, the first CanCERN newsletter detailed ongoing collaborations with Canterbury Earthquake Recovery Authority and the Christchurch City Council on behalf of communities, and also reported initial meetings with key senior insurance representatives. Like other CanCERN activities, these meetings aimed to increase understanding. Raising insurer awareness of resident needs and issues, CanCERN also took the opportunity to gather information about insurance requirements, processes and developments from insurers, for dissemination through its community networks.⁴⁴

Insurance Council New Zealand representatives also took part in these initial meetings. Insurance Council New Zealand has a long-standing mandate to represent the insurance sector in New Zealand, and also plays a role in 'informing and educating consumers about key insurance issues and risks'.⁴⁵ This mandate and educational role informed active Insurance Council New Zealand engagement with insurers involved in the Christchurch recovery, and ongoing collaboration with Earthquake Commission, the Canterbury Earthquake Recovery Authority, consenting agencies and community representatives to increase the consistency of messaging used to communicate earthquake-related issues to residents faced with claim settlement and residential zoning decisions. As pressure to increase rates of claim settlement grew, a cross-sector General Managers' Canterbury Recovery Forum was initiated in August 2012. This group brought general managers from regulating and consenting agencies together every fortnight with government, Earthquake Commission and private insurer general managers and an Insurance Council New Zealand representative.⁴⁶ An insurer Chief Executive's Group included Earthquake Commission, private insurer, Canterbury Earthquake Recovery Authority and Insurance Council New Zealand chief executives, and served as an escalation pathway for issues that could not be addressed at the general manager level. In April 2012, a new joint Communications Working Group also included private insurer representatives and Earthquake Commission and Canterbury Earthquake Recovery Authority officials. It aimed to address the complexity of claim settlement and other residential recovery processes by:

- Developing joint communication of earthquake-related messaging
- Increasing alignment between insurer customer services and Canterbury Earthquake Recovery Authority and other social support services
- Designing and implementing an insurance claim support and advisory service.⁴⁷

As perceptions of issues around claim settlement grew, these stakeholder networks became increasingly active, and more closely linked in collaborative attempts to address them.

40 Birkland 1998, Aoki 2016.

41 There were 40 resident groups represented by CanCERN as of August 2011 bbc.com/news/world-asia-pacific-14620726. Over time this number fluctuated; when CanCERN ceased to operate in March 2015, it had dropped to 25 cancern.org.nz/index.html%3Fp=7107.html. This group was originally established on 20 September 2010 to advocate for residents severely affected by the 7.2 earthquake that began this earthquake sequence on 4 September 2010.

42 This Act requires the Recovery Minister to form a Community Forum to provide him with advice and information, and requires him to 'have regard for' that advice or information Section 2 (1) 6: (1;4) Canterbury Earthquake Recovery Act 2011.

43 WeCan 2011.

44 CanCERN newsletter #1 cancern.org.nz/index.html%3Fp=1454.html. This research was concerned with the community contribution to the design and governance of the RAS, which was largely collaborative, and focused on information sharing and the co-production of recovery solutions. It is important to note that community networking following the earthquakes was highly fluid, with individuals and groups involved in many different initiatives and networks that varied widely in approach, ranging from collectives formed to take legal action against government and private insurers, to the Community Forum that met regularly to advise the Recovery Minister.

45 icnz.org.nz

46 The formation of the General Manager Canterbury Recovery Forum coincided with the wind-down of other insurer/Earthquake Commission collaborations set up to coordinate area-wide drilling programmes. These included a technical working group (which standardised geotechnical testing and data formats across the sector from May to September 2012), and an insurer steering group (which negotiated apportionment of cost for the programme from July to September 2012) (Pers. Com. Eric Bird).

47 'The Canterbury Earthquake Recovery Authority & Insurers' Communications and Customer Services Working Group' 2012.

2.1.2 AGREEING ON 'THE PROBLEM' AND A POTENTIAL SOLUTION

Although the collaborative development of the RAS flowed directly from preceding networking around residential recovery issues, the real genesis of this initiative can be traced to a cross-sector workshop on 29 August 2012. Organised by the Canterbury Earthquake Recovery Authority, the Earthquake Commission, insurer Chief Executives and Insurance Council New Zealand, this meeting brought the Earthquake Commission, private insurer and Canterbury Earthquake Recovery Authority representatives together with residents' groups, non-governmental organisations and legal advisers (including non-governmental organisations and private firms) with experience advising earthquake affected residents. The aim of the workshop was to reach agreement on a "clear understanding of the issues facing residents."

Representatives of insurers and the Earthquake Commission at the meeting drew on claim settlement data to confirm that the majority of clients had received offers from their insurers, but were still paused at the 'first decision' stage of the process. For this reason, there had been little uptake of the complaints pathways provided by insurers. Insurer representatives proposed that better communication – between insurers, as well as with clients – would address this problem by clarifying claim settlement processes, and by directing clients to appropriate social supports and/or insurer customer services. In the event of disputes, better communication would raise awareness and uptake of insurer complaints pathways, which, once exhausted, provided the option of appealing to the office of the Insurance and Financial Services Ombudsman (Insurance Ombudsman).⁴⁸

Residents groups and community and private legal providers at the meeting explained that from their perspective, this problem could not be resolved solely by improving communication from insurers. They agreed that if, as the data from insurers revealed, the majority of residents were 'stuck' in the early decision-making stages of claim settlement, this was due to a lack of understanding of:

- Insurance processes, terminology and the terms of their own policies
- What the claim settlement process involved (including what insurers/the Earthquake Commission were waiting for from their clients)
- Whether insurer offers were consistent with the insurance policies
- Timeframes for claim settlement and repairs/rebuilds of their homes.

Better and more consistent information would not in itself have resolved this issue, however, due to a barrier preventing clients and residents from receiving and digesting communications from insurers and governments – the 'climate of mistrust' that prevailed between these sectors in the early recovery period. Clients in such cases were hesitating to respond to claim offers because they did not trust information provided to them by insurers or government, due to:

- Widespread negative perceptions of the insurance industry and the Earthquake Commission
- Differing and sometimes contradictory advice from insurers, the Earthquake Commission and central and local government
- Not knowing who to talk to in order to receive the correct advice.⁴⁹

Combining the knowledge available to insurer and community representatives at the meeting allowed all present to define the issue that was having the most influence on claim settlement progress at the time:

The majority of residential property owners had not yet made decisions about claim settlement because they required informed, technical and legal advice, specific to their individual claim situation, from a trusted source independent of both insurers and government.

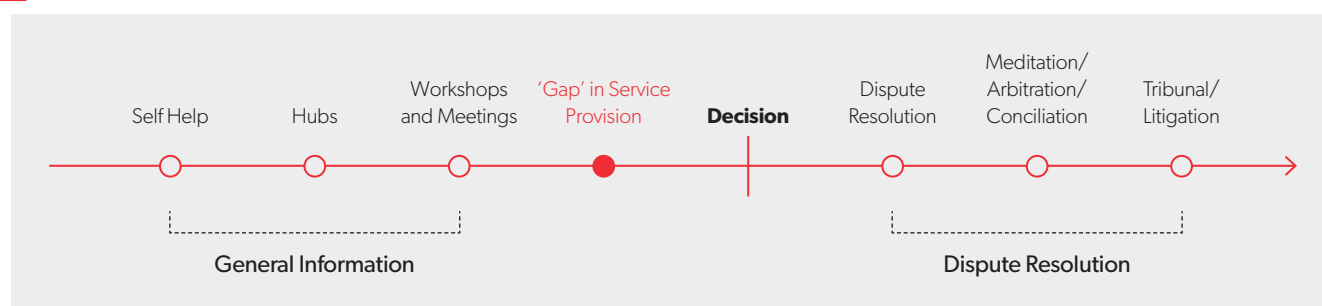


FIGURE 3: THE (CERA) SPECTRUM OF SUPPORTS AVAILABLE TO RESIDENTS AFFECTED BY RECOVERY FROM THE CANTERBURY EARTHQUAKES IN AUGUST 2012, SHOWING A GAP IN SERVICE PROVISION (TAKEN FROM P. 1, 'INSURANCE SUPPORT AND ADVICE MEETING 29 AUGUST 2012: MINUTES' 2012. ARROW AND ITALICISED TEXT ADDED).

48 'Insurance Support and Advice Meeting 29 August 2012: minutes'.

49 'Insurance Support and Advice Meeting 29 August 2012: minutes'.

The Canterbury Earthquake Recovery Authority was able to draw on the knowledge of earthquake-related social services available to it as a government agency to provide the last element in this problem definition. Existing social services and supports at the time were not able to provide advice that was independent and legally and technically informed in relation to each client's specific situation. They illustrated this as a 'gap' in the middle of a 'spectrum of supports', which featured the provision of general information at one end, and highly specific and legally focused dispute resolution options at the other (Figure 3).

The meeting recognised that this gap in the support spectrum was contributing to delays in claim settlement. The consequent lack of informed advice (related specifically to each client situation) risked increasing rates of unnecessary litigation, by creating the impression that the only avenue available to claimants to address concerns was to initiate legal disputes with their insurers.

The outcome of the meeting was that those present agreed that a support and advice service was needed to help homeowners to:

- Understand their own policies (what they were entitled to; whether the insurer offers matched their entitlements)
- Navigate claim resolution processes that required that they deal with different parties
- Establish the validity (or otherwise) of concerns about their claims.⁵⁰

Both the problem and the solution identified at this meeting were squarely situated in the contractual relationship between (government and private) insurers and their clients. With the benefit of hindsight, this is not surprising, since these legal relationships were the platform for so much of the residential recovery operation. At the time, however, there were other possible factors to consider, such as a lack of support for dispute resolution or insurer failure to respond to lodged claims. The evidence pooled at this meeting, however, indicated that at this point in the recovery neither of these was a major factor in slow rates of claim settlement, since most clients were still hesitating at the point of responding to the insurer offers made in response to their lodged claims.

2.1.3 ESTABLISHMENT OF THE COLLABORATIVE GOVERNANCE GROUP

During September and October 2012, the Canterbury Earthquake Recovery Authority team coordinated weekly meetings with this group of stakeholders. The goal was to refine the problem definition, and arrive at agreement concerning the need for an independent service, and what that service would consist of. To demonstrate the independence of the new service from the Earthquake Commission and private insurers, those involved agreed that service development should be led by the Canterbury Earthquake Recovery Authority. The new service was to focus on earthquake issues, and provide residents with accurate information

and support concerning claim settlement and repair and rebuild processes. An early potential service model circulated by the Canterbury Earthquake Recovery Authority for comment in October proposed a central 'hub' approach.

In November 2012, the collective focus turned to the resourcing required to implement the service. Funding discussions in November identified insurers, the Earthquake Commission, and the Canterbury Earthquake Recovery Authority as the main funders, confirmed that the funder representatives should make up the Governance Group, and agreed on the importance of ensuring that the new service was seen to be independent these funding organisations.

By mid-December the earlier 'hub' service provision model had been repositioned, so that the service could be delivered from a range of locations, increasing accessibility for clients. A central assessment point would be used to manage demand and ensure that clients were referred to existing services where that was more appropriate. The newly formed Governance Group reached final agreement on funding arrangements and broad elements of the Memorandum of Understanding at the end of that month. In December 2012 and March 2013 two final positions were added to the Governance Group. On the basis of a verbal commitment from the Mayor of Christchurch that the council would contribute to funding the service, a position for a council representative was included in December (although this position was not filled until after the RAS launch in 2013). The final position was added in March 2013, after discussing the proposed service model with the Community Forum. Forum members strongly recommended that an independent representative be recruited to ensure a resident perspective. On the basis of this advice, the Chair of the Community Forum (then also a CanCERN member) was appointed later in March as the fifth Governance Group member.

From December 2012 onward, the Canterbury Earthquake Recovery Authority took the service 'in-house' to expedite development. In January 2013 Canterbury Earthquake Recovery Authority staff briefed insurance general managers on progress, confirming that insurers were ready to sign the Memorandum of Understanding, and that the Canterbury Earthquake Recovery Authority would be responsible for contracting the service providers. In early February 2013, however, an email updating the Insurance Ombudsman on progress to date on the provisional service model prompted concern. The Insurance Ombudsman contacted Insurance Council New Zealand, warning that the use of Community Law and a mediation provider to deliver the RAS service could mean that residents who used the service would lose their right to access the insurance complaints pathway provided by the Insurance Ombudsman. They noted that the service also threatened to replace insurers' internal dispute resolution processes, and undermine the existing dispute resolution service provided by the Insurance Ombudsman.

50 'Insurance Support and Advice Meeting 29 August 2012: minutes'.

At a subsequent meeting in early March 2013, the general managers group also expressed concern about the use of Community Law to provide the advice service, suggesting that this might mean it would involve legal advocacy on behalf of clients against insurers. Senior Canterbury Earthquake Recovery Authority staff advised the meeting that standard operating procedures would be designed to ensure that advisers remained focused on providing impartial advice. A chart used to illustrate the client pathway through the proposed service alongside alternative dispute pathways, however, further alarmed insurers by (erroneously) including an arrow showing a path to litigation inside the new service, rather than representing it – as had been intended – as an alternative to the service. Two weeks later Canterbury Earthquake Recovery Authority staff advised insurers that the Recovery Minister had signed off the implementation of the new service, but had yet to advise the Caucus of this. Insurers requested that the Minister refrain from making announcements until they had been provided with a copy of the MoU and operating procedures (which were provided later the same day). The RAS began operations on 29 April 2013, before a formal launch in mid-May. The first Governance Group meeting was held on 24 May 2013.

2.2 Issues and analysis

Drawing on a review of documents and the perspectives of those involved in the design and set up of the Governance Group and the service it oversees, this section of the report provides analysis of the extent to which the early recovery environment both required and enabled the collaborative approach taken in the design, development and governance of the RAS.

2.2.1 LIMITATIONS OF EXISTING ARRANGEMENTS

Cross-sector collaborations in particular appear to be influenced by the degree to which single-sector efforts to solve a public problem are tried first and found wanting before cross-sector efforts are attempted.⁵¹

Collaborative governance arrangements are often developed in response to complex problems when it becomes clear that existing arrangements have failed to address the problems.⁵² The collaborative design and implementation of the RAS was driven by growing perceptions of claim settlement issues that could not be adequately addressed through existing service arrangements, insurer practices, and insurer complaints pathways. By August

2012 it had also become apparent that these issues had not been addressed by the more or less informal networking within and between communities, insurers, local government in the preceding 15 months to improve the consistency and communication of earthquake-related information provided to residents. At the meeting in August, the lack of an existing arrangement to deliver the advice required to help residents progress claim settlements was a key element in the collective commitment to developing what was to become the RAS.

Data gathered in the first wave of the Canterbury Earthquake Recovery Authority Wellbeing Survey in September 2012 revealed that 65% of all survey respondents were dealing with the Earthquake Commission and/or insurers over damage to homes and properties, and that for a third (37%) of all survey respondents these dealings had ‘had a moderate or major negative impact on their everyday lives’.⁵³ This was also the issue with the greatest proportion of all participants (19%) reporting that it ‘had a major negative impact on their daily lives’.⁵⁴ Several participants in this project noted that at the time the RAS was being developed, the availability of data that proved that claim settlement issues were having a negative effect on the wellbeing of residents helped to cement high-level commitment to funding and implementing the service. Credible findings were particularly critical in the early recovery due to heightened political scrutiny and media focus on the residential recovery, insurers and central and local government. Assigning funding to address emerging issues could only be justified in this environment on the basis of clear evidence that complex emerging residential recovery issues were not being adequately addressed through existing arrangements.

2.2.2 CROSS-SECTOR TENSIONS

Collaborative governance arrangements often emerge out of dysfunctional cross-sector relationships.⁵⁵ The issues that the RAS was established to address arose out of the tensions inherent in the three-way contract between private and government insurers and their clients. These tensions were exacerbated by the enormous scale of the residential recovery task, the difficulty of establishing where the balance lay between their respective financial interests in the complex recovery environment, and by political pressure on both central and local government to increase the pace of the residential recovery.

⁵¹ p. 45, Bryson, Crosby & Stone 2006.

⁵² This is a consistent finding in the collaborative governance literature to date, irrespective of the focus of the collaborative governance arrangement Bryson, Crosby & Stone 2006; 2015, Ansell & Gash 2008.

⁵³ p. 23, Canterbury Earthquake Recovery Authority 2012. Given the large number of damaged homes, and high insurance penetration, these findings are not surprising; that they were obtained through a randomly sampled survey, however, lent them credibility.

⁵⁴ p. 23, Canterbury Earthquake Recovery Authority 2012.

⁵⁵ Bryson, Crosby & Stone 2006; 2015, Ansell & Gash 2008.

Coordination: private and government insurers

In business-as-usual conditions, private insurers in New Zealand, as elsewhere, are in competition with one another. Primarily focused on selling insurance cover, and risk management, most rely on Insurance Council New Zealand to take a coordinating role across the sector. As an insurer, the Earthquake Commission also manifests a business-as-usual focus on risk management; at the time of the first earthquake, moreover, the Earthquake Commission had only 22 staff. Since it is a government insurer, however, it is answerable to a government minister, and ultimately to the New Zealand Parliament. As a result the Earthquake Commission operating approach is informed by regulatory rather than commercial arrangements, and involves a higher degree of transparency, and of a different kind, than that required of private insurance providers.⁵⁶ The earthquake disaster required both the Earthquake Commission and private insurers not only to redirect their focus and processes to large-scale claim settlement, but also to manage a significant proportion of repairs/rebuilds and undertake both settlement and managed repairs in a coordinated way. The rapid changes in the recovery environment, ongoing earthquake activity, increasing land damage (associated with liquefaction and flooding in low-lying areas and rock fall on the hills) and consequent legislative change made coordination mechanisms essential, but also made the transition from business-as-usual focus and approaches particularly difficult. Two examples requiring an adaptive, coordinated approach illustrate the difficulty of this transition: lack of clarity in the law concerning apportioning insurer liabilities for damage caused by particular events; and the need for technical data concerning the widespread land damage in residential areas caused by the earthquakes.

This earthquake sequence caused the first major urban earthquake disaster in more than 60 years in New Zealand. Largely as a result of this, and reflecting global experience, wording in insurance policies and the Earthquake Commission Act 1993 was based on an implicit assumption that damage would be caused by a single large event. Since the Act failed to explicitly clarify the distribution of insurer liability across a series of damaging events occurring close together, it was difficult for either Earthquake Commission or insurers to apportion damage to a particular event. In total 14 earthquakes during the sequence gave rise to the Earthquake Commission and insurer claims, drawing attention to this grey area. Was the government insurer liable under the Act for up to the first \$100,000 of losses for each major earthquake? Or could the cover be merged across the earthquake sequence?⁵⁷ This legal uncertainty made the

distribution of liability between the Earthquake Commission and the private insurer for claims involving severe residential dwelling damage (over NZ\$100,000) correspondingly uncertain, bringing negotiations over claims that fell into this category between Earthquake Commission and private insurers to a temporary halt. In late 2011 the Earthquake Commission, Insurance Council New Zealand, and private insurers IAG, VERO, FMG, MAS, Lumley, AAI, ACS and Tower collaborated to request clarification of this issue from the High Court, under the Declaratory Judgments Act 1908.⁵⁸ The court heard the case in August 2011, and in September 2011 released its ruling. Finding that the Earthquake Commission's \$100,000 cover is immediately reinstated at the time of each event, the court made the Earthquake Commission liable for up to that amount after every event.⁵⁹

Since much of the residential damage was accompanied and exacerbated by extensive land damage,⁶⁰ geotechnical land assessments were required in order to manage many housing repairs and rebuilds. Unlike private insurers, the Earthquake Commission was required to compensate owners for damage to insured land, as well as housing, increasing this organisation's need for geotechnical assessments. The daunting scale and cost of this task, the need to expedite rapid geotechnical assessments, and pressure on limited available geotechnical expertise made a coordinated approach to assessment necessary. All insurers relied on contractors to conduct assessments. Like private insurers, geotechnical consultants were in direct competition with one another. Assessment practices were for this reason commercially sensitive, and geotechnical data was a valuable commercial commodity. Ongoing attempts to coordinate geotechnical land assessments were hampered by competitive norms in both the insurance and geotechnical sectors, as well as by the friction caused by the mismatch with the regulatory framework and differing priorities underpinning the Earthquake Commission approach.

After the 4 September 2010 earthquake, the Earthquake Commission was directed to project manage geotechnical assessments for the government in support of local authority land remediation initiatives, contracting a consultant to conduct the assessments.⁶¹ The resulting data was used to inform government land remediation guidelines released in December 2010, as well as sequentially updated suburb-wide assessment reports. Although provided for the benefit of insurers and their consultants, these reports were often too general for private insurer purposes.⁶² The Earthquake Commission was initially reluctant to release commercially sensitive raw data in any format other

56 Cowan et al. 2016.

57 King et al. 2014.

58 King et al. 2014.

59 High Court New Zealand 2011. Brown Seville and Vargo (2013) note that a subsequent test case for reinstatement of commercial cover produced a different outcome late in 2012, in that the court found insurers liable only for the sum insured for aggregate damage from multiple events (rather than up to the full sum insured after each event).

60 Cubrinovski et al. 2011.

61 Cowan Dunne & Griffiths 2016.

62 Pers. Com. Eric Bird.

than the plots included in suburb-wide reports.⁶³ Private insurers contracted in expertise in 2010 to fulfil their own assessment needs. In 2011, a consortium brought private insurers and their consultants together in a new collaborative area-wide assessment pilot. Although declining to join that initiative, the Earthquake Commission launched and drove a larger and more formally structured collaborative area-wide assessment programme throughout 2012. Collaboratively governed by an 'insurer steering committee' consisting of insurer and the Earthquake Commission chief executives, this initiative also brought insurer consultants together in a 'technical working group', which forged agreement on standard best-practice assessment techniques, including data collection and format.⁶⁴ This collaboration was abandoned in September 2012, when the steering committee was unable to agree on a cost-sharing arrangement. By that point, however, it had developed best-practice guidelines, and laid the groundwork for the establishment of the shared geotechnical database that was initially housed within Canterbury Earthquake Recovery Authority. Currently hosted by the Ministry of Business, Innovation and Employment, this database is now facilitating efficient national assessment of geotechnical hazards. The networks developed through these experiments in adaptive governance served to develop links between the insurance/consultant and government sectors, due to the dual status of the Earthquake Commission and the shared geotechnical focus.

Coordination: the Christchurch City Council, insurers and clients, and the Canterbury Earthquake Recovery Authority

Tensions between Canterbury Earthquake Recovery Authority, the Christchurch City Council and insurers also made it difficult to coordinate residential recovery. The obvious overlap in mandates was a legacy of awarding the Christchurch City Council's usual statutory responsibility for recovery coordination to the new central government recovery agency.⁶⁵ Regional and territorial authorities publically expressed concerns at the time about a lack of involvement of key local partners in the planning and implementation of the Canterbury Earthquake Recovery Authority Recovery Strategy and other government recovery decision-making, calling for Canterbury Earthquake Recovery Authority to increase public involvement in meaningful forms of recovery engagement and collaboration.⁶⁶ Later in 2011 the Christchurch City Council

was similarly criticised for failing to engage local communities in recovery planning.⁶⁷

Tensions were also generated by the council mandate to advocate on behalf of residents (under the then-current version of the Local Government Act). This responsibility, and traditional links between elected Councillors and their constituents contributed to adaptive governance activities at the local community level. Associated pressure on the council to take action on behalf of insured homeowners resulted in a series of strongly worded media releases from Councillors and the Mayor of Christchurch, attributing blame for slow recovery progress to insurers, in the first instance, and to the Recovery Minister and the Canterbury Earthquake Recovery Authority, for failing to take action against insurers on behalf of residents.

The Christchurch City Council's struggle to develop the capacity and systems required to issue the burgeoning volume of building and other consents required as part of repairs and rebuilds also strained relations between the council, insurers and the government. Sequential reviews of consenting processes and capacity were commissioned in 2012 (by the council) and July and November 2013 (by the Ministry for Business, Innovation and Employment and the Ministry for the Environment).⁶⁸ Using randomly selected cases, these reviews found that although most consents were being issued within the specified 20-day time-frame, some were taking more than 60 days to process. All reviews found that poor internal communications and a tendency to adhere to business-as-usual practices were contributing to delays.⁶⁹ Tension around this issue came to a head in mid-2013, when an early June Ministerial press release warned that New Zealand's independent accreditation authority was threatening to remove this council's power to grant building consents if it did not meet a 28 June deadline to improve its consenting process.⁷⁰ The Mayor responded with a media interview, in which he described the Ministerial press release as a 'media missile' fired at the council. Claiming it exaggerated the importance of routine accreditation processes, the Mayor attributed the Minister's intervention to the poor relationship between central government and this council.⁷¹ When building consent accreditation was revoked by the independent consenting authority on 1 July 2013, the council's insurance cover for claims under the building act was also compromised.⁷² Four days later the Mayor announced he

63 In November 2011 restricted access to this database was provided to selected staff within private insurers: Since access was not, however, granted to the consultants contracted to provide insurer expertise in this area, these restrictions continued to limit coordination efforts (Pers. Com. Eric Bird).

64 Pers.Com. Eric Bird.

65 Johnson & Olshansky 2016, Department of the Prime Minister and Cabinet 2017.

66 Canterbury Earthquake Recovery Authority. 2011.

67 Brookie 2012.

68 Ministry of Business, Innovation and Employment 2013, Ministry for the Environment 2013.

69 Ministry of Building Innovation and Employment 2013, Ministry for the Environment 2013.

70 'Council could lose consenting powers,' 2013a.

71 This video interview appears to have been recorded in June, before the Council lost consenting powers, but was not released by *The Press* on the Stuff website until 1 July, when this loss was officially confirmed ('Council could lose consenting powers,' 2013b).

72 Cairns & Young 2013.

would not run for office in upcoming elections, and the council's chief executive officer formally resigned in early September 2013.⁷³ A subsequent investigation did not hold either Mayor or chief executive officer responsible for the loss of accreditation. But it did find that neither were aware of the consenting issues that caused the loss of accreditation until a few days before it occurred, and to this extent bore out the findings of previous reviews concerning internal council communication processes.⁷⁴

2.2.3 RELATIONSHIP ISSUES: BUILDING TRUST THROUGH COLLABORATIVE GOVERNANCE

The workshop that brought community and non-governmental organisation representatives together with senior insurer and government representatives on the 29 August 2012 revealed that at the time, widespread mistrust had become a significant obstacle to claim settlement progress. Lack of trust in insurers, the Earthquake Commission and government information providers was preventing clients accessing the information and advice required to think through the implications of insurer offers. To this extent mistrust was effectively halting claim settlement progress before clients reached the point of assessing whether insurer offers matched the terms of insurance policies. Unlike other contributing factors, such as the technical and legal complexity caused by the recovery environment, or the complex three-way insurance negotiations caused by the Earthquake Commission Act, this mistrust arose directly out of cross-sector relationships. In the first instance it affected contractual relations between government and private insurers and their clients. Since it was generated by widespread negative perceptions of insurers and the Earthquake Commission, and inconsistent and sometimes contradictory advice from government agencies, local authorities, the Earthquake Commission and insurers, this lack of trust was also a function of the need for more coordination and the wider cycle of misunderstanding, blame attribution and mistrust fuelled by the intensity and public scrutiny typical of post-disaster recovery environments.

The collaborative processes that gave rise to – and manifested in – the same workshop made it possible to identify mistrust as the issue holding up claim settlement at the time because they brought together the key stakeholders affected by slow progress in claim settlements. Each sector was in a position to contribute an essential element to the combined knowledge that clarified the problem, and allowed them to identify a solution. The collective vantage across sectors afforded through this workshop was essential. But it is also important to remember that the workshop occurred as part of the wider collaborative activity that continued as the RAS was designed and implemented. These larger adaptive governance

arrangements brought together representatives of insurance, government and community sectors through forums at a range of levels, to resolve different issues. Incrementally building trust, these activities were a counter-force to the anxiety and mutual blame attribution driving the mistrust that by 2012 was affecting claim settlement progress.

The centrality of the contractual insurance relationship to the residential rebuild meant that this mistrust had its most destructive effect on this relationship. And since the New Zealand insurance system made this a three-way relationship, the government-as-insurer was also directly involved. The solution identified at this workshop and developed over the ensuing six months aimed to directly address the problem by intervening not on behalf of either party, but instead in order to rebuild trust in the relationship. Providing informed legal and technical advice that was specific to the client's situation and contract, but independent of both sides of the contractual relationship (and advocating for neither) had the potential to restore trust on both sides, and so help insurers and claimants come to agreement on settlements that balanced their respective financial interests.

The role played by the insurance sector (including the Earthquake Commission) in the collaborative development of the RAS makes this particularly clear. Insurers were the only stakeholders in a position to confirm exactly where the claim settlement process was breaking down. They were also the only stakeholders in a position to clearly see the need for an impartial advice service. The majority of those present at the meeting, and involved in subsequent design and implementation activity, were particularly (and appropriately) concerned to ensure that residents were able to access a source of information that was independent of both insurers and the government. Insurers cautiously supported the establishment of a new service at this meeting when it became clear that residents no longer trusted advice from insurers, government agencies or the Christchurch City Council. But unlike government agencies and the Christchurch City Council, insurers (including the Earthquake Commission) were contractually bound to their clients, and through that relationship, to the residential rebuild, and to a range of international reinsurers. This gave them a different perspective on the advice that was required. Clients were hesitating to engage in the claim settlement process because they did not trust insurers, and lacked the technical and legal information required to establish where their contracts placed the balance between their own financial interests and those of the insurers. To re-engage them in this process, advice was required that was impartial not only with respect to the financial interests of insurers, but also with respect to those of the clients.

73 "Christchurch mayor Bob Parker won't seek re-election" 2013, Conway 2013.

74 Ministry for the Environment 2013.

Legal advocacy carried the risk of increasing client mistrust of insurers, moving them further from engaging in claim settlement processes, and closer to litigation where this may have been unnecessary. The information at the meeting that carried particular weight with insurers was provided in the Canterbury Earthquake Recovery Authority's social support spectrum, because it indicated that the absence of an impartial advisory service was creating the impression that legal dispute was the only avenue available to residents with insurance concerns.⁷⁵ The support of insurers for the proposed service remained conditional on the provision of advice that was as impartial as possible with respect to the financial interests of both insurers and clients. Positioning the RAS in the middle ground of this contractual relationship, this solution, like the terms of the insurance contract, struck a balance midway between the interests of insurers and their clients, the stakeholders at the centre of the residential recovery.

Approximately a month after responsibility for designing and implementing the service was taken 'in-house' by the Canterbury Earthquake Recovery Authority, meeting notes and emails indicated that insurers had begun to feel out of touch with the way the model was progressing. The engagement of Community Law as a service provider appeared to come as a surprise, causing alarm among insurers, and generating the concerns expressed by the Insurance Ombudsman. These reactions, in turn, appeared to surprise Canterbury Earthquake Recovery Authority staff, who had assumed they were acting in accordance with an agreed model. Advice from Canterbury Earthquake Recovery Authority officials, although intended to allay insurer concerns, inadvertently aggravated them by including an erroneous diagram indicating that the new service would include a litigation path. These issues, although minor, point to the risks associated with the decision to develop and implement the RAS within the Canterbury Earthquake Recovery Authority, rather than through continued collaboration with the Governance Group. Without the insurer perspective, the need to ensure that the service provided advice that was impartial with respect to clients as well as insurers was no longer in the foreground. The pressure of the the Canterbury Earthquake Recovery Authority work environment, and the distribution of reporting and other tasks across a number of the Canterbury Earthquake Recovery Authority staff are likely to have contributed to a shared assumption on their part that insurers were aware of progress on the service, and preferred not to be involved in the detail of email and other communications about aspects of its development. No longer directly involved in the design process, and concerned that decisions were being made in their absence, insurer representatives began to become less trusting of the collaboration.

2.2.4 THE TEMPORAL TRADE-OFF: CONSENSUS-BUILDING VERSUS TIMELINESS

The complexity of the decision-making environment in the wake of the Canterbury Earthquakes, together with the effects of New Zealand's unusual insurance system put the early residential recovery operation under pressure. On the one hand, the intense media and political attention generated by this disaster and its aftermath fuelled the often divisive politicisation of the residential recovery operation, and so contributed to the mistrust slowing recovery progress. Yet the same politicising effect generated the urgency and high-level commitment to addressing residential issues driving the networking that gave rise to the RAS. In non-recovery environments, the time required to build consensus and develop cross-sector networks has been found to be in fundamental tension with the demand, in policy and practice domains, for rapid, timely outcomes.⁷⁶ The demand for timeliness in both domains increases exponentially after disasters,⁷⁷ as does the requirement for cross-sector networking. The resulting tension is evident in the development of the RAS.

Those involved clearly recognised the need to involve as many relevant stakeholders as possible, including a wide range of sector and organisational representatives at the August 2012 workshop. CanCERN and Community Law representatives were able to provide the community perspective that resulted in the primary insight concerning the effects of client lack of trust in insurers. From September 2012 until January 2013, however, these community representatives were no longer centrally involved in the collaborative development of the governance group and service model, which became the responsibility of the Canterbury Earthquake Recovery Authority staff, together with the private insurer, the Canterbury Earthquake Recovery Authority and the Earthquake Commission representatives recruited at that point onto the governance board of the new service. The recruitment of an independent to represent the community did not occur until March 2013, and was the result of advice from the Community Forum. In January 2013, a further contraction of this collaborative effort left insurer and the Earthquake Commission representatives out of the process until the service was launched. In effect, each contraction appeared to leave out an entire sector to speed up the process. The workshop included community representatives, who were excluded from the subsequent collaborative activity between insurer and the Canterbury Earthquake Recovery Authority representatives. Then in January insurer representatives were no longer involved in the detail of design and implementation.

75 This left insured homeowners vulnerable to legal advocates who offered to take legal action on their behalf on a 'no win no fee' basis that exposed them to very large commission payments (including lending fees). In March 2015, 288 cases had been laid in the High Court; 86% of the 203 that were still outstanding at that point had been taken by one lawyer (66% of those were undercap – all notified since May 2013) (Rose, 2015). In March 2016, some clients complained about legal contracts that required them to pay the lawyer a 15% commission on their insurance pay-out (amounting to hundreds of thousands of dollars), even if they had withdrawn from the legal action only a few months after signing up (Van Beynen 2016).

76 Sarkki et al. 2014.

77 Olshansky et al. 2012, Johnson & Olshansky 2016.

One participant commented that although this usefully decreased the time required to implement the service, those involved at the time were well aware that reducing the breadth of the collaboration in this way carried the risk of compromising commitment to the service on the part of those excluded from the process. This points to the greater cost of not bringing the Christchurch City Council into the pre-design stage of this collaborative governance arrangement, and underscores the reliance of collaborative governance arrangements on the inclusion of all key stakeholders, in all decision-making stages.

services governed by key stakeholder sectors after future urban disasters of this scale would facilitate the rapid establishment of such support. Reducing stress among those residents most in need, early action of this kind would also be likely to significantly offset the extent and harmful effects of the dynamic that gave rise to so much cross-sector misunderstanding, blame attribution and mistrust in the wake of the Canterbury Earthquakes.

2.3 Conclusion

Looking back at the early recovery environment, it is the vast scale of the residential recovery task that really stands out as the underlying driver of the complexity, rapid change, cross-sector tensions and adaptive governance that emerged in the wake of this disaster. Six years on, the widespread perceptions of ‘slow’ progress in the early claim settlement processes in 2011 and 2012 appear to have been generated in large part by the gap between the expectation of rapid residential recovery and the reality of this enormous task.⁷⁸

The number of property owners who were to go on to receive support from the RAS tends to bear this out. In January 2016, more than 167,000 dwellings had been the subject of claims for earthquake damage. Close to 20,000 over-cap claims had been passed to private insurers. 7,000 red zone properties had been purchased by the government and demolished. The Earthquake Commission had settled with 140,440 property owners. A month earlier, RAS transitioned from being hosted by the Canterbury Earthquake Recovery Authority to being hosted by the Ministry of Business, Innovation and Employment in December 2015. At that point it had received almost 12,500 calls from property owners (approximately 7% of total dwelling insurance claimants), of which just over 3,000 (2% of the total) had been referred to RAS Independent Advisers to receive specialised support.

This is not to diminish the significance of the issues that arose in late 2011 and 2012. On the contrary, it is to make exactly the opposite point: several factors combined to make such issues both inevitable and urgent. Ultimately, as research participants noted, this was always a ‘numbers’ issue. Even a small percentage of total claimants amounted to thousands of households, affecting a significant proportion of the population. Establishing a public service that was independent of government and insurers to address the needs of this group of claimants was an urgent necessity. The complexity of the environment and the limitations of existing sectoral arrangements were always going to require a collaborative cross-sector approach to establishing and governing such a service. Anticipating the need for independent public

⁷⁸ Johnson and Olshansky (2016) find this gap between expectations and reality to be a defining characteristic of the six recent major disasters in their study. It is also evident in the aftermath of the 2011 Great Eastern Japanese Earthquake and Tsunami, as governments at regional and local levels were struggling to access construction capacity four years after the event, and more than 170,000 residents continued to live in temporary accommodation. economist.com/news/asia/21642216-rebuilding-north-eastern-region-tohoku-being-bungled-grinding

3: DELIVERING RECOVERY OUTCOMES OF PUBLIC VALUE 2013-2015

The RAS opened on 29 April 2013, and was formally launched on 15 May; the first Governance Group meeting was held on 24 May 2013.

The RAS Governance Group consisted of the Canterbury Earthquake Recovery Authority, Earthquake Commission, Insurance Council New Zealand, Community and Christchurch City Council representatives. The RAS was hosted by the Canterbury Earthquake Recovery Authority as an independent recovery service until 1 December 2015. At that point, the Ministry of Business, Innovation and Employment took over as the host of this independent service, in anticipation of the closure of the Canterbury Earthquake Recovery Authority (in April 2016), and the subsequent wind-down of the RAS itself. This chapter introduces the RAS service, and outlines the evolution of the Governance Group from 20 April 2013 – 1 December 2015. The chapter provides analysis of the structure and function that contributed to the Governance Group's:

- Capacity to change and add to the service so that it continued to help residents to progress their own residential recovery journeys
- Collective oversight of changing and emerging residential recovery issues
- Influence 'back' across organisations and sectors in response to emerging issues

3.1 The RAS 2013-2015

Less than two months after the RAS began operations, the Governance Group approved final versions of founding Terms of Reference and Memorandum of Understanding documents.⁷⁹ The Terms of Reference defined the Governance Group's purpose with reference to the RAS service:

The purpose of the Residential Advisory Service Governance Group (the Governance Group) is to oversee the strategic development and implementation of the Residential Advisory Service, (the Service) and to monitor its operation in order to achieve the Service's purpose as defined in the Memorandum of Understanding.

The initial Memorandum of Understanding defined the purpose of this service as follows: 'to meet the needs that were identified by the stakeholder group [in August 2012] to support property owners

through the insurance and repair/rebuild processes associated with the Canterbury earthquakes'. To understand the evolution of the Governance Group, it is useful to start with the service it was established to oversee.

3.1.1 THE RAS SERVICE

The RAS began operations in late April 2013, prior to the official mid-May launch. Permanent personnel included the RAS manager, two call centre staff (the former funded and hosted by the Canterbury Earthquake Recovery Authority, and the latter an in-kind contribution), and two Independent Advisers (the number of full-time advisers was to stabilise at between five and seven). A flow diagram provided on the RAS website illustrated the advice provision process for the benefit of clients, showing initial triage by call centre staff, and consultation with Independent Advisers, with a multi-party meeting option as one of three pathways to progress towards rebuild or repair (Figure 4).

Despite its small size, the RAS provided free, independent professional advice and support to several thousand residential property owners in the first two and a half years of operation. As of 20 November 2015, just before the service transitioned out of the Canterbury Earthquake Recovery Authority, call centre staff had received 12,463 calls from property owners. Of these, 70% were requests for general information, recalls or appointment bookings (all resolved by call centre staff). A further 5% were referred to other support services and organisations. The remaining 25% of callers (3,116) were referred to RAS Independent Advisers for advice and support that were: specific to their own claim settlement situations; legally (and sometimes technically) informed; and independent of insurers or government.⁸⁰

Ongoing demand was one of several indications that the new service was meeting a fundamental need. Feedback obtained from call-backs, exit surveys and unsolicited expressions of appreciation indicated high levels of satisfaction among RAS clients.⁸¹ The RAS also earned growing recognition and support from community groups such as CanCERN, across the government sector, and from private and government insurers.

79 RAS Governance Group 2015a; RAS Governance Group 2015b. Note that there were several iterations of the Memorandum of Understanding, in response to changes in the service over time.

80 This is a measure of first-time referrals, and so constituted a running total of individual RAS clients. Note that the proportion of first-time referrals remained at 21% throughout 2013, but then climbed steadily over time to reach 25% in December 2015 (Appendix 1). All running totals are taken from RAS monthly Project Status Reports.

81 Exit survey results were consistently positive. In a May 2015 exit survey for example, 81% confirmed they would recommend the service to others, 91% felt listened to and understood, and 78% were satisfied or very satisfied with the service.

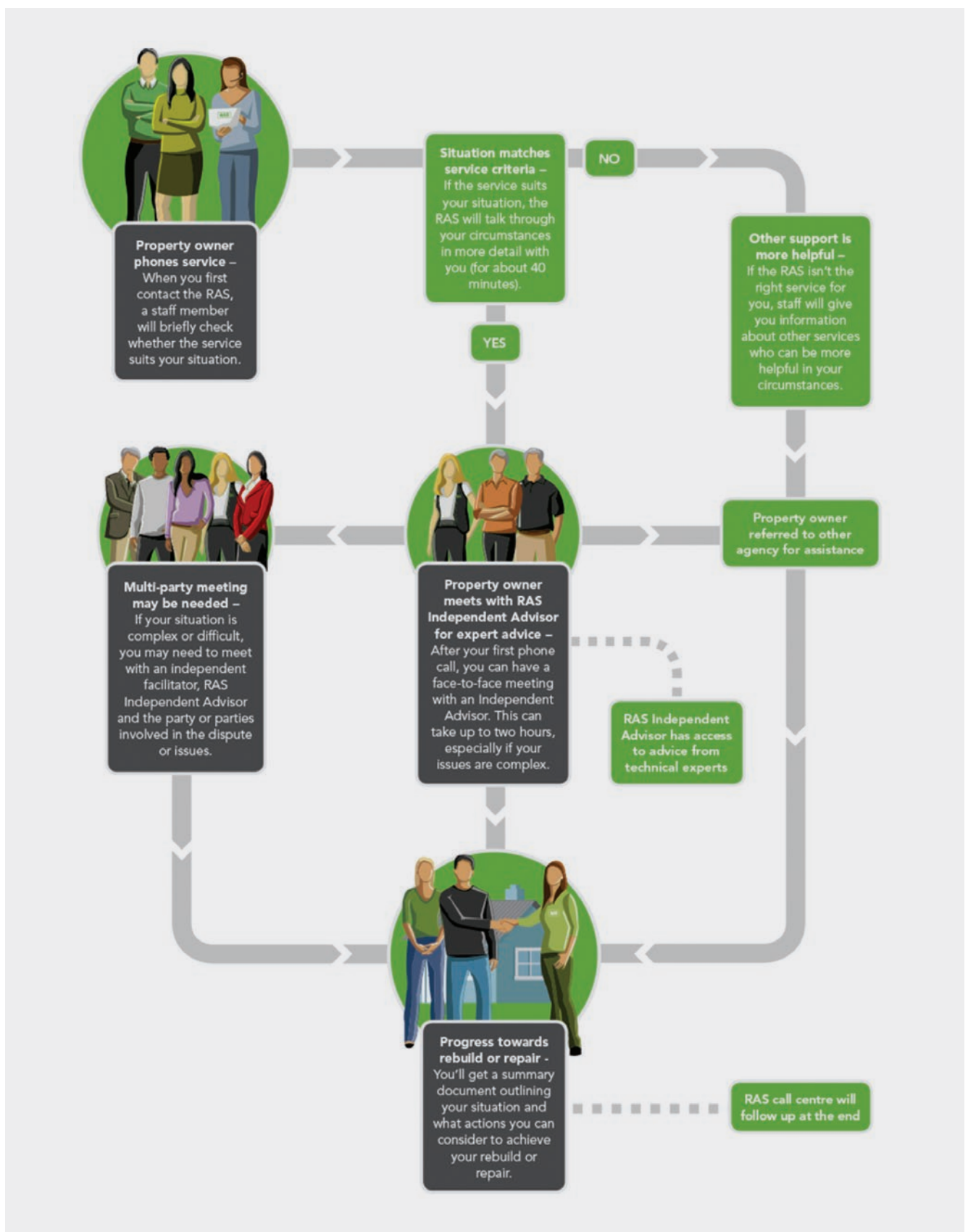


FIGURE 4: RAS SERVICE PATHWAYS (SOURCE: RAS.ORG.NZ; NOVEMBER 2015)

Six months after the launch an independent evaluation of the service found that the RAS had already become ‘an effective operation’. It was ‘largely meeting its intended objectives for residential property owners of greater Christchurch’ by:

- Assisting property owners to make progress with their individual situations
- Incorporating and coordinating the provision of advice, guidance and support at zero cost to property owners
- Improving property owners’ collective understanding of the rebuild, repair and resettlement processes
- Enabling mutually beneficial outcomes to be reached by both property owners and their insurers
- Identifying those ‘deemed “vulnerable” due to their health, financial situation or age’ and directing them to appropriate services for targeted assistance
- Identifying emerging trends through the RAS’s reporting mechanisms.⁸²

In its first year of operation the Governance Group devoted considerable effort to implementing measures suggested in the review to address four early issues affecting service provision. Firstly, more publicity was needed, since not all who would benefit from the service were aware of the service, or what it offered. Secondly, steps were required to improve services for the Earthquake Commission clients, who at that point were unable to access RAS services without losing their right to engage with the Earthquake Commission complaints pathways. The other two issues concerned Independent Adviser interactions with insurers and the Earthquake Commission. More information about cases that clients were taking through the RAS would allow insurers and the Earthquake Commission to better coordinate claim settlement activities, and improve understanding of the progress made by the RAS for their customers. Fourthly, the review recommended more training for advisers, who were at times behaving in an adversarial way towards the Earthquake Commission and insurers, which was inconsistent with the purpose of the RAS.

3.2 The RAS Governance Group: introduction

There was a lot of negative at the start, which is why we put so much time initially into the MOU and the Terms of Reference, to get everybody on the same page.

The evaluation findings, and indeed the evaluation itself, reflected a flurry of early Governance Group activity, much of it focused on the role of the Governance Group. Early work in the first three months to finalise the Terms of Reference and Memorandum of Understanding documents in effect laid the foundation of the collaboration, and provided a pathway forward.

3.2.1 FOUNDING VALUES

The first section of the MoU set out the function of the Governance Group, committing those on it to:

- Establish a service to support property owners through the insurance and repair/ rebuild processes associated with the Canterbury earthquakes (Service), and
- Work together in a spirit of cooperation and in accordance with an agreed Terms of Reference to fund and support the outcomes of the Service.

This wording extended the focus of the Governance Group beyond the service itself, to service outcomes. The strong emphasis on what the collaboration would require – ‘a spirit of cooperation’ – was indicative of ground already covered by this group of stakeholders. The next section itemised values that clarified how the collaboration would work together:

- 2.1.1 Work as a team
- 2.1.2 Support each other in finding the most efficient ways to deliver the Service
- 2.1.3 Be open, frank, honest and constructive in all dealings with each other
- 2.1.4 Share work equitably and reasonably, consistent with agreed arrangements
- 2.1.5 Use this Memorandum of Understanding as a benchmark against which the Parties can set their approach to potential issues of conflict between them as work progresses
- 2.1.6 Optimise the value and benefit delivered to the affected property owners of greater Christchurch by the Parties
- 2.1.7 Maintain appropriate ethical practices, and
- 2.1.8 Discuss issues and negotiate with each other in a principled and good faith manner.

Looking back, participants unanimously endorsed the importance of this early work on the Memorandum of Understanding. For some, the real value consisted in the work itself. Governance Group members came to early meetings to represent organisations that at the time were involved in sometimes public disputes. Several participants noted that some of these stakeholder organisations were initially reluctant to participate, although for different reasons. The Earthquake Commission and insurers, for example, initially feared that the new service could compromise their own complaints processes, and lead to increased litigation. Conversely, views expressed by Christchurch City Council officials suggested the RAS was seen as a mechanism for insurers to pursue their own financial interests at the expense of their clients.⁸³ Coming to agreement on founding values during the first two months of the RAS operation was widely acknowledged as an essential first step in getting members ‘on the same page’.

⁸² p. 3, Deloitte 2014.

⁸³ Christchurch City Council media release 2013.

Over time, the presence of these values in the Memorandum of Understanding continued to guide Governance Group activity, particularly when dealing with complex issues:

The strong emphasis on values in the Terms of Reference in the MoU have provided a helpful context, reminding the group from time to time, what are we here to facilitate? What are the principles that guide our engagement both on behalf of the community that we're serving, but also mindful of the unique accountabilities that we have to our respective member organisations?

As this would suggest, Governance Group membership required each member to continue to balance accountability to their own organisation against accountability to the primary RAS stakeholders, the residents and communities affected by the recovery. Achieving this balance was more of a challenge at the outset. Early sensitivities are indicated in Memorandum of Understanding wording requiring that members 'recognise the policies and integrities of each other,' and specifying that insurer participation would not 'bind them to act outside their contractual and commercial rights and obligations with respect to their respective customers or the operation of their businesses'. Although RAS stakeholder organisations came to recognise that all stood to gain from a successful RAS, and that none stood to gain from its failure, participants recalled that this 'win-win' understanding of the RAS was not widely recognised at the outset. One consequence was a strong early emphasis on the distribution of RAS benefits across institutional and sector stakeholder interests. To some extent, this emphasis weighed in the balance in the initial stages against the explicit commitment to the residents and communities affected by the recovery as primary RAS stakeholders.

Looking back over the early months of operation, many participants recalled that although individuals on the Governance Group were committed to the service, many were also managing early scepticism within their own institutions and sectors as to the independence and effectiveness of the RAS. As Governance Group members began to feel their way into the collaboration in the early meetings, these tensions were reflected in a degree of 'positioning', as some began by attempting to strongly represent the interests of their own institutions.

All participants agreed that the process of working through the Governance Group values helped to shift the collective focus to the public benefit provided by the RAS, by fostering the development of a shared understanding of the responsibilities that came with Governance Group membership. Members served in the Governance Group to share the knowledge and perspective afforded by their positions in particular sectors or organisations, but not to advocate for those entities. As one participant put it, "one of the key parts to [Governance Group] success has always been that people are there because of their roles, but *not in their roles*." (emphasis added). This contributed to a shared

understanding of the Governance Group as an entity that exceeded the sum of its parts. The independence of the Governance Group and the RAS relied on balancing the knowledge, viewpoints and influence of all the sectors involved:

That's the beauty of having the different groups around the table. We were very strong... that we were the RAS Board and that we would run RAS, it was not the Canterbury Earthquake Recovery Authority's RAS, it was not Insurance Council New Zealand's RAS, it was us... and we were going to run it.

As the shared commitment to residents as primary stakeholders gained traction, it helped to contribute to what has become a strongly collaborative RAS Governance Group culture. All participants went to some length to express appreciation of and admiration and respect for fellow members⁸⁴ and their contributions to the Governance Group, and all were similarly positive about the RAS and its outcomes.

3.2.2 GOVERNANCE GROUP TASKS

The Memorandum of Understanding and Terms of Reference documents committed the Governance Group to working together to ensure that RAS outcomes were funded, and to support those outcomes by overseeing the strategic development of the service to make sure that it remained focused on achieving its purpose. Anticipating and identifying threats to service delivery and outcomes was a key task.

Funding uncertainty continued to be the most obvious of these threats. Caution about the use of an untested service model and expectations of short-term demand led, in early 2013, to the establishment of a 12-month service. As steady demand and positive performance indicators continued to confound these early expectations, Governance Group members were required to go back on a yearly basis to their respective organisations for approval to provide the considerable sum required to fund the service for the next 12 months.

Core services were funded at the outset by the Canterbury Earthquake Recovery Authority, the Earthquake Commission, and Insurance Council New Zealand (which provided a funding contribution gathered from private insurers involved in the recovery). In December 2012, the Mayor of Christchurch made a verbal commitment on behalf of the Christchurch City Council to contribute to RAS funding. Despite this, and the provision of a Governance Group representative after the first two months of operation, the council's commitment to contribute to RAS vacillated over the first 18 months. A series of business cases for the RAS was presented to the Christchurch City Council, together with sustained negotiation at Governance Group level and behind the scenes. In May 2015, these efforts resulted in a full Christchurch City Council vote to contribute \$50,000 (5%) of the annual RAS budget for the

⁸⁴ Including the RAS manager, who though not technically part of the Governance Group, was an active participant in Governance Group meetings, and worked closely with Governance Group members to resolve operational issues affecting clients across the organisations represented in the Governance Group.

coming year (and retrospective contributions to the 2013 and 2014 RAS budget). The difficulty of achieving this outcome increased in April 2013. Just as the RAS was about to launch, the Christchurch City Council voted to fully fund an alternative to the RAS, the Canterbury Insurance Advocacy Service. Conceived as a more 'independent' service, the Canterbury Insurance Advocacy Service was set up to advocate for residents against insurers, and opened late in December 2013.⁸⁵

Over its first 2 years the Governance Group was also able to access alternative sources of funding to augment the services available to RAS clients. A professional desk-top assessment of the technical basis of client claims and insurer offers, for example, was funded by the Ministry of Business, Innovation and Employment, and launched in August 2014. A service offering practical, technically qualified on-the-ground assessments of properties to RAS clients was introduced in December the same year, funded by the Christchurch Earthquake Appeal Trust.⁸⁶

Continuing efforts to publicise the RAS included the dissemination of pamphlets and posters (produced by the Canterbury Earthquake Recovery Authority) through community networks, and presentations by the community representative at a variety of events and forums. Ongoing training sessions with Independent Advisers helped to improve their interactions with insurers.

Other milestone indicators of Governance Group activity included a series of important alignments with parallel insurance advice and support services, including those provided by the Insurance Ombudsman, the Canterbury Insurance Advocacy Service and the Earthquake Commission. These alignments were important. International evidence indicates that the existence of alternative options has in other contexts proved a significant threat to collaboratively governed services.⁸⁷ Within the first six months of operation the Governance Group negotiated a waiver with the Insurance Ombudsman that allowed clients to engage in the RAS multi-party meeting process without losing their right to access the Insurance Ombudsman's dispute resolution pathways. During 2013 and 2014 the Governance Group worked closely with RAS management, the Council and relevant residents' groups to support the establishment and development of the Canterbury Insurance Advocacy Service. The outcome of this collaborative work was that the RAS would continue to provide a broad range of services to larger numbers of homeowners, while the Canterbury Insurance Advocacy Service would focus on providing specialised intensive support for vulnerable clients. This ensured that these services provided parallel, complementary insurance advisory

services, for the benefit of the residents of greater Christchurch. Both were actively promoted by residents' groups.

The negotiation to align the RAS with the Earthquake Commission dispute resolution processes took longer. From the outset, property owners who had embarked on an the Earthquake Commission dispute resolution pathway would be automatically disqualified from that process if they received support from RAS Independent Advisers. The Earthquake Commission required that calls from property owners requesting support from the RAS be automatically referred back to the Earthquake Commission if callers were engaged in the Earthquake Commission dispute pathways.⁸⁸ The independent six-month RAS evaluation had found that this was having a significant impact on the ability of the service to support the Earthquake Commission clients. Sustained negotiations with the Earthquake Commission and a change of the Earthquake Commission Governance Group representative contributed to a change of the Earthquake Commission position. From mid-2014 on, the Earthquake Commission clients were able to consult RAS advisers while simultaneously engaging in the Earthquake Commission dispute resolution processes (this dispensation was subsequently extended to include the RAS Multi-Party Meeting process).

3.2.3 INDEPENDENT BY DESIGN

RAS structure and function were strongly informed at all levels by the need to make the service independent. The August 2012 workshop had revealed that residents were not accessing advice because they did not trust insurers, the Council or central government. It was clear that the new service would only be able to help residents to understand and progress their insurance claims to the extent that it was recognised as independent of these interests. The legitimacy of the RAS relied on the extent to which it was able to achieve this independence.

To signal the independence of the new service, the early stakeholder group decided to decrease the perception of insurer influence on the service by having the Canterbury Earthquake Recovery Authority lead development at the outset. Since it was almost as important to establish that the new service was independent of central government, it was not directly linked to any institution or sector. Although hosted by the Canterbury Earthquake Recovery Authority over the first two and a half years, it was not a government service, and neither was it an Earthquake Commission or Insurance Council New Zealand service. The Canterbury Earthquake Recovery Authority hosting role remained

85 Christchurch City Council media release 2013. The cost of funding the Canterbury Insurance Advocacy Service was \$200,000 per annum.

86 The Christchurch Earthquake Appeal Trust is an independent charity, registered under the Charities Act 2005 of New Zealand, and is responsible for the allocation of the money raised by the Christchurch Earthquake Appeal to support earthquake recovery initiatives. The Christchurch Earthquake Appeal was the official, global fundraiser for the recovery effort for Christchurch and the Canterbury region, and launched by Prime Minister John Key on 27 February 2011 (christchurchappealtrust.org.nz)

87 Bryson Crosby & Stone 2015, Ansell & Gash 2008.

88 These calls were included in the running total of calls referred elsewhere by the RAS call centre.

as discreet as possible. The RAS was accessed through a unique, free-phone number and a stand-alone website with a generic, non-government address (.org.nz). Both signalled that the RAS was neither a government nor an insurer service. Calls to the number were answered and managed as RAS calls by Canterbury Earthquake Recovery Authority call centre staff, and appointments with Independent Advisers were arranged at community venues most convenient for clients. As a result, although not secret, the Canterbury Earthquake Recovery Authority hosting arrangement remained largely invisible.⁸⁹

Internal organisational structures and processes were also designed to reinforce the independence of the service. The collaborative involvement of insurer and government stakeholders was critical in the identification of the problem slowing claim settlement progress, and the subsequent development, funding and governance of the RAS to address it. Most participants noted, however, that the involvement of these powerful stakeholders contributed to early scepticism about the independence of the service within stakeholder organisations, and among community groups. This attitude was also evident in early media coverage describing the RAS (erroneously) as an ‘the Earthquake Commission advisory service,’ and reporting concerns about the independence of the service, ‘given that insurers were helping to set it up’.⁹⁰ To counter this perception, the RAS was designed to maximise and demonstrate the independence of the service with a structure balanced across two axes: horizontally, between Governance Group members, and vertically, between governance and operations.

At the Governance Group level, decision-making authority was evenly shared between members, and to this extent ensured independence from any one sector. The first meeting agreed that individual private insurers were to be represented by Insurance Council New Zealand on the Governance Group, to ‘further eliminate the possibility of bias’.⁹¹ To demonstrate that no one sector was inappropriately influencing governance decisions or service provision, members also resolved to increase the transparency of governance decision-making by posting all Governance Group meeting minutes on the RAS website.

Two other key decisions at the first meeting helped to reinforce the independence of the Governance Group. Members resolved not to give the Chair a deciding vote, ensuring a flat distribution of authority between members.⁹² They also resolved to alter the

definition of key RAS stakeholders provided in the initial draft of the Terms of Reference. This early version had stated ‘the Governance Group is accountable to the Chief Executive, the Canterbury Earthquake Recovery Authority and recognises the Governance Structure associated with the Greater Christchurch Recovery Strategy’. At the first Governance Group meeting in May, however, ‘all agreed the stakeholders were the residents/communities of greater Christchurch who are affected by the recovery’, and that the RAS was ‘accountable to residents’. The initial wording had situated the Governance Group under the Canterbury Earthquake Recovery Authority aegis, and so inside the government domain. The decision to make the Governance Group accountable to all residents affected by the recovery had two effects. It reinforced the focus of this collaborative governance arrangement on providing a public benefit (rather than a government service). And by doing so, it reduced the relative influence of the Canterbury Earthquake Recovery Authority on the Governance Group, thereby increasing the independence of the group as a whole. This re-balancing effect is more obvious in the wording of the document finalised in June 2013, which made the Governance Group accountable both to ‘the Residents of Greater Christchurch’ and also to ‘the stakeholders of the Residential Advisory Service’ represented in the Governance Group.

The seniority of insurer and government representatives within their own organisations further contributed to the even distribution of authority across the Governance Group, to the extent that each was in a position of equivalent authority in their own organisation. Collectively, this made the Governance Group ‘a serious group of people,’ capable of wielding the influence required across the residential recovery to establish and enhance the RAS as an independent service. Helping to integrate this initiative into wider residential recovery networks, this collective seniority also increased the utility and value of monthly Governance Group meetings for members:

‘We’re generally sharing taxis to and from airports, we’re transacting a whole bunch of other stuff on the fringe, we’ll sometimes arrive early, leave late. And there would never be a month in which there is not some other business that is complementary to the work of RAS but is not directly within the scope of the agenda for the day. So just having the exposure to the other parties; having a consistent basis for renewed connection. That has been beneficial.’

89 The collaborative RAS governance and funding arrangements, and Governance Group meeting minutes were however all posted on the website.

90 Sachdeva, 2012. In 2013 other elected officials were similarly quoted as having ‘doubts about the role of the Earthquake Commission (EQC) in the service when it was often at the root of the problems residents using the service were facing.’ Cairns 2013.

91 20130524 RAS Governance Meeting Minutes.

92 P. 1, 20130524 RAS Governance Meeting Minutes. Although a subsequent decision gave funder representatives the right to veto Governance Group decisions, all participants confirmed that this right of veto was never exercised.

The seniority of Governance Group members also built commitment to both the Governance Group and the RAS service.⁹³ As one participant put it:

You didn't turn up to that meeting unless you'd read the papers, you were well prepared and you'd got the decisions that you needed to bring to the table. It was a serious commitment.

On the other hand, the collective authority of the Governance Group increased the potential risk to the independence of the service posed by the involvement of these powerful stakeholders. To reduce this risk the RAS needed to maintain:

a good balance between needing to have the 'grunt' round the table from the Insurance Council, the Earthquake Commission, Council and government... versus actually being able to provide this very high quality independent service.

The RAS was structured to achieve this balance by maximising the distance between governance and operations. Outsourcing the recruitment and management of RAS advisers to an external independent provider, Community Law, in effect separated RAS operations from the Governance Group. No provision was made for direct contact between powerful Governance Group members and the staff who provided the service to clients (including contact centre staff and advisers). This structural measure is likely to have contributed to perceptions that service delivery remained independent. Several participants noted that even when at its highest, early scepticism concerning RAS independence from insurers remained directed at Governance Group level – there was never any suggestion that RAS advisers were biased in favour of insurers.

This structure also helped to redress the potential power imbalance within the Governance Group between senior representatives of powerful funding stakeholders and the sole independent recruited to represent the community in the group. At the August 2012 meeting, representatives of community groups and Community Law had both provided evidence of community perspectives of obstacles to residential recovery. Inside the RAS, these two community perspectives were in effect distributed across the vertical axis. The recruitment of an independent to represent the community in the Governance Group, and the decision to make residents and communities key RAS stakeholders contributed to community influence at Governance Group level. Meanwhile, the incorporation of Community Law as the service provider ensured that this organisation continued to provide the vital resident perspective on issues that were making it difficult to progress claim settlements in close to real time.

3.2.4 THE DUAL FOCUS OF THE RAS GOVERNANCE GROUP

Complexity is inescapable because these collaborations are dynamic fields that brush up against and are penetrated by other dynamic fields.⁹⁴

To function effectively, the RAS required Governance Group members to wield influence within their own organisations, but also to ensure that the service they were responsible for remained independent of the powerful interests they represented. This dictated the separation between Governance Group and operations, which then gave rise to the need for a connecting mechanism and information conduit between these levels. To oversee service performance, the Governance Group needed a direct line of sight into operations.

To this end, the first Governance Group meeting tasked the RAS manager with gathering standard operational and financial data and other performance indicators, including running totals of calls and referrals, the length of time taken to resolve cases, the number of outstanding cases, and feedback from RAS clients. Identified at this meeting as key measures of accountability to 'the residents/ community of greater Christchurch who are affected by the recovery', these statistics were presented to the Governance Group in detailed monthly reports.

Alongside this focus on service performance, the first meeting agreed that data concerning the range and distribution of residential recovery issues presented by RAS clients would be reported by the manager on a monthly basis. This strand of reporting provided the Governance Group with a line of sight across the wider residential recovery, allowing the identification of trends and issues inhibiting claim settlement progress across and within organisations, and at particular levels (as noted in the early independent evaluation of the service). The RAS manager was also given responsibility for relationship management with stakeholders (including government agencies, territorial authorities, insurers and the Earthquake Commission) at the operational level. This responsibility included informing stakeholders of process issues (concerning particular organisations) as they came to light through RAS operations, and working together with those organisations to address them. If not able to be successfully managed through relationships at the operational level, issues were to be escalated by the manager to the Governance Group for resolution. As a result, the RAS manager role extended well beyond the immediate management of the service, to include both a linking function between operations and the Governance Group, and managing relationships (on behalf of the Governance Group) with key stakeholders across the residential recovery operation.

⁹³ Over time, the collective seniority of this group increased, as some members were promoted, and others moved on to be replaced by more senior representatives of their home organisations.

⁹⁴ p. 11, Bryson Crosby & Stone 2015.

As this would suggest, Governance Group members were aware from the outset that the RAS offered an opportunity to track the residential recovery issues presenting to Independent Advisers, to raise awareness of these issues across recovery networks, and to address them where possible through the organisations represented in the Governance Group. Decreases in ‘blockages/ barriers’ to claim settlement progress were also included in the list of accountability measures. This aspect of Governance Group activity in effect allowed it to function as a coordinating platform. As with the initial workshop in August 2012, Governance Group meetings brought sector representatives together to provide the collective vantage and shared commitment required to identify and address residential recovery issues. This continuity is underlined – again – by the distribution of those contributing community perspectives at the workshop across the governance and operational levels of the RAS.

In summary, the Governance Group was able to use the RAS to serve a dual function. The overriding priority was to ensure that the service assisted individual property owners to overcome obstacles in order to progress their own claim settlements. Alongside that, however, and often as part of it, the Governance Group and the RAS manager worked together and across the larger residential recovery to identify obstacles to claim settlement at the points and places where they arose. Both aspects of this function were consistent with the Governance Group commitment to reduce obstacles faced by insured residents to provide benefit to the ‘residents/communities of greater Christchurch affected by the recovery.’ Five key elements made this possible:

- *The prioritisation of residents and communities as primary RAS stakeholders*, and the distribution of community input across governance and operational levels
- *The provision of a professional independent service free of charge* to homeowners struggling with claim settlement and repair and rebuild processes
- *The independence and quality of the service*, which drew clients from across the recovery, and gathered independent data concerning claim settlement issues
- *The seniority of the Governance Group*, which built commitment to the RAS collaboration, and provided the influence required ‘behind the scenes’ within organisations and across wider networks to address ‘blockages’ in claim settlement processes at the systemic level
- *The capacity of the manager to link* vertically, between operations and the Governance Group, and horizontally across the wider residential recovery operation.

The sections that follow use examples to illustrate the way these components allowed the Governance Group to hone the service and reduce obstacles to residential recovery progress. The first outlines ongoing efforts to improve access to technical advice for RAS clients, and the second concerns the dissemination of information and action across the wider residential recovery. Both examples underline the extent to which the Governance Group both relied on and continued to contribute to wider residential recovery networking.

3.3 Enhancing the service: technical information

The first major issue presented to the Governance Group concerned the need for professional technical information and advice. Insurer and the Earthquake Commission offers to residential property owners were based on often highly technical assessments of land and building damage. To understand whether these offers were consistent with the rights granted to them by their insurance policies, property owners needed access to the technical information upon which the offers were based. Independent Advisers were legally qualified. Aware of the legal obligations of insurers, they were able to request the technical information that related to specific offers. Since they were not qualified engineers, however, understanding that information and translating it into everyday language for clients was challenging.

The inaugural Governance Group meeting considered the confidential findings of a technical expert panel report concerning this issue. The report was based on cases presented to Independent Advisers in the first month of RAS operation, and to this extent was an early example of caseload data clarifying obstacles to claim settlement. It identified four key technical information issues inhibiting (or threatening to inhibit) claim settlement progress:

- *Access*: processes used to provide access to the technical bases of client offers varied widely between insurers. Access processes were also difficult to understand, and often proved both complex and untimely, requiring multiple contacts and processes (including, in the case of the Earthquake Commission, formal requests under New Zealand’s Official Information Act 1982)
- *Assessment standards*: the report found that because technical assessment standards varied between insurers, residential property owners wishing to commission their own technical assessments were unsure what level of assessment would be recognised as professional within the insurance resolution process
- *Availability of expertise*: clients wishing to commission expert opinions were struggling to engage technical expertise, due to short supply (and high demand), limited residential assessment capabilities, and a reluctance to conduct assessments in an environment that exposed experts to unlimited liability risks (under New Zealand’s Consumer Guarantees Act 1993)
- *Cost of technical assessments*: insurance policy clauses and wording concerning liability for the cost of technical assessments were open to interpretation; the resulting lack of access to funding to undertake additional technical reports before settlement was likely to cause delays and increase the vulnerability of property owners.

All four of these issues were well outside the immediate purview of the service. Access to the technical bases of claim settlement offers, and the policy wording concerning assessment costs did relate to the contractual relationships between insurers and clients. The lack of common technical assessment standards and scarcity

of technical expertise, however, were an emerging feature of the wider residential recovery environment. None of these issues could have been addressed by Governance Group decisions and actions focused on alterations to the RAS service alone. Instead, all panel recommendations required that Governance Group members took action in the wider recovery environment. Three recommendations related directly to Independent Adviser case management:

- Providing RAS Independent Advisers with access to all technical information gathered by insurers in relation to client claims
- Providing RAS Independent Advisers with access to expert formal reviews of this information, where necessary
- The formation of a RAS panel of experts to provide formal reviews of the technical bases of insurer offers.

The remaining four recommendations were for systemic changes to insurer and government practice:

- Making all technical information available to the RAS
- Developing agreed technical assessment standards across the sector
- Legislating to reduce expert exposure to liability
- Introducing measures to reduce the exposure of property owners to the costs of additional technical assessments.

This is a clear early example of the RAS service providing the Governance Group with a view of a particular issue that was obstructing progress at several points across the residential recovery. Meeting minutes noted that in addition to reducing the risks to the RAS service identified in the report, developing standard access processes and technical assessment standards had the potential to have a positive influence on the wider residential recovery, by reducing both the flow of Official Information Act requests to the Earthquake Commission, and the rates of misdirected legal dispute.

Those at the meeting committed to going 'back' to work with their own and other stakeholder organisations in the wider recovery environment to address these risks:

- The Earthquake Commission and insurers would work with the RAS to engage staff to provide a single point of contact for RAS Independent Advisers seeking technical information relating to particular client offers
- RAS operations would provide an indication of the success of this measure by continuing to monitor the timeliness and quality of technical information provided by insurers and the Earthquake Commission
- Governance Group members would recruit a technical advice panel to support the RAS service.

A month later, at the June 2013 Governance Group meeting, an update informed members that since the first meeting, the Canterbury Earthquake Recovery Authority had provided the RAS with access to the geotechnical database shared by the Canterbury Earthquake Recovery Authority, Ministry of Business, Innovation and Employment, insurers and the Earthquake Commission. The

RAS management team together with the Earthquake Commission and insurers had begun the process of developing Standard Operating Procedures relating to access to technical information across the insurance sector (including the Earthquake Commission). By September 2013, Standard Operating Procedure manuals had been developed, and each insurer had appointed a 'first point of contact' for RAS advisers seeking access to technical information about particular offers on behalf of clients.

3.3.1 PRO BONO TECHNICAL EXPERT ADVICE

In July 2013, the Governance Group Chair agreed to approach IPENZ, the New Zealand professional engineering association, for assistance in recruiting experts for a RAS technical panel. Suitability depended on their capacity to review technical information at an agreed reasonable rate, and on a pro bono basis for financially vulnerable RAS clients. Subsequent approaches and negotiations conducted by Governance Group members led, in September 2013, to a Governance Group resolution to formally request technical assistance from those companies who had indicated to the Community Forum that they were willing to provide support to RAS advisers. A panel of volunteers was established in early October. Rather than reviewing information at an agreed rate, however, this panel provided Independent Advisers with expert responses to particular technical questions on a pro bono basis. From October 2013 until August 2014, RAS status reports to the Governance Group reiterated Independent Adviser satisfaction concerning access to the pro bono technical advisory panel.

3.3.2 FUNDED PROFESSIONAL TECHNICAL DESK-TOP REVIEW

Despite reports of satisfaction, the support provided by the pro bono panel remained limited to responding to particular questions with indicative opinions only. Panel members declined to provide definitive professional advice, or to undertake formal reviews of client documentation, due largely to the liability issues identified in the panel report. Recognition of the need to provide RAS clients with more detailed and robust expert assessments of the technical bases of insurer offers led to a Ministerial recommendation (in March 2014) to assess the possibility of providing expert geotechnical, structural engineering and building advice to RAS clients free of charge, funded by the government. RAS management and Governance Group members negotiated with Ministry of Business, Innovation and Employment and lead engineering firms during April and May. The outcome was a commitment from the ministry to fully fund a technical advisory panel with the capacity to conduct professional desk-top reviews of the technical bases of insurer offers. This professional panel became active in August 2014, replacing the pro bono technical advisory panel. Panel members were brought in as required from three major companies to undertake free desk-top reviews on behalf of RAS clients, with the expert services they provided fully funded by the Ministry of Business, Innovation and Employment.

3.3.3 PRACTICAL EXPERT ADVICE ON THE GROUND

In April 2014, a RAS memo informed the Governance Group that feedback from community groups indicated that it was becoming necessary to supplement the legal and technical advice options already provided through the service with practical engineering support on the ground. Some property owners required 'independent assurance in what they are seeing, hearing and reading about their repair/rebuild'. A month earlier, CanCERN had approached the Christchurch Earthquake Appeal Trust on behalf of the RAS about this issue. As a result, this philanthropic body had agreed to fully fund another supplementary RAS service to provide the necessary support. The memo proposed trialling an established provider of engineering support for insurance issues, with existing links to major insurers and the Earthquake Commission, and the capacity to meet owners at the insured properties to talk through insurer offers on-site.

From early June 2014, 19 existing RAS cases that seemed more in need of a practical approach than a legal remedy were identified and assigned to this provider. By the end of July 2014 11 of the 19 cases had been closed, with their matter resolved, while the remaining eight were also on course to be concluded. On the basis of this report the Governance Group approved a further three months of the pilot to cover the time required to conduct the formal procurement process. A subsequent tender for the supply of this service was issued and put out to suppliers. After evaluation in early November 2014, the trialled service provider won the tender. The contract to provide the service commenced 22 December 2014, fully funded by the Christchurch Earthquake Appeal Trust.

This brief outline of Governance Group activity to address the technical information issues emerging at service delivery level provides a glimpse of the range of governance tasks required of members across a wide range of forums. Member efforts and actions to address these issues included exerting influence within their own home organisations, as well as ongoing engagement through a range of government channels, across the insurance sector, and at the community level. Although this work remained focused on securing funding and building support for efforts to improve the service provided to RAS clients, such activities also reinforced connections and relationships across the community, private and philanthropic sectors, contributing to wider residential recovery networks.

These enhancements of the service in response to emerging client needs also underline the flexible approach taken by this collaborative governance group, reflecting the early recognition that:

It was clear that not all cases that came to RAS really needed or were well supported by people with a legal background [and] that RAS needed to triage the needs of different customers upfront. Some needed referral to technical panels, some to [on-the-ground support], some squarely sat within the realm of the Independent Adviser. So recognising that people weren't actually going to be well served with a one size fits all approach.

Ongoing action to address this range of needs was also informed by the Governance Group commitment in the Memorandum of Understanding to 'optimise the value and benefit' delivered by the service to affected property owners. The sequential addition of supplementary RAS service options was recognised as part of achieving resolutions, and also timely resolutions for RAS clients. As one participant observed, 'inherently there's a value for money proposition there'. Early shared awareness of the complexity and rapid change occurring in the wider environment contributed to this pragmatism, by creating the expectation that ongoing adaptation in response to these changes would continue to be required of the service.

3.4 Coordinating the management of residential recovery issues

It was about shifting bulk issues and removing obstacles, making sure that we shone the light on issues that could be influenced by the stakeholders around the table... It was always going to be let's find the systemic issue, let's address the blockages and let's influence the outcomes for other people, who won't need to access a service because they have just had that blockage removed.

The RAS governance arrangement was designed from the outset to gather the information needed to inform coordination at governance level. Governance group members were recruited on the basis of links to wider residential recovery networks, as well as the seniority to act on the basis of evidence of issues affecting individual clients. Direct action involved accessing and channelling the financial, technical, legal and administrative resources required to adapt the RAS service in response to client need. Indirect action included raising awareness across the wider residential recovery operation, and where necessary intervening to address issues identified at service delivery level as they emerged.

A week before each monthly Governance Group meeting, members were provided with a detailed RAS Project Status Report. Data was anonymised, to preserve the confidentiality of clients, and ensure that there was no question of Governance Group influence on particular cases. Reports included a sequence of graphs, running totals and client feedback. In addition to indicating service performance, this data clarified the types and geographic distribution of vulnerability exhibited by RAS clients, as well as the types, geographic spread and distribution across insurers of presenting issues. Updates on current RAS activities, emerging trends and potential threats focused governance group attention on current and urgent issues.

At Governance Group meetings, these reports were discussed and anonymised detail heavily 'mined' by members to identify points at which intervention would help to address urgent emerging issues. A participant provided the following illustration of this collaborative process:

[Members] would be very focused on that report in terms of, you know, why is [issue A] suddenly starting to outstrip [issue B], can you drill that down? Well actually, the majority of that is around insurers not the Earthquake Commission, and in fact when you drill that down, it is actually mostly insurer X. And then... being able to go great, and take that back to insurer X and say hey do you guys realise this is what's happening? And then straight away the issue is focused on, by them, and addressed.

A confidentiality clause in the Memorandum of Understanding and maturing Governance Group culture contributed to free and frank discussion at governance group meetings, which focused on acting to resolve identified issues:

It was a very open 'Chatham House rules' discussion around reports because there was this urgent element to getting these things resolved, to making things happen but without compromising. So you'd have – as much as possible – people who'd been able to commit their organisations, but they actually always had to go back, and chat to their chief executives.

Several participants noted that the regularity of monthly meetings allowed this to become an iterative process, with members going 'back' to their organisations several times to ensure that a process issue had been addressed:

Quite often [the member] would have for example, two or three goes at their staff to get them to change. So we could then be the barometer to go: okay you said 'x' shouldn't happen two months ago, we are still seeing it. Well where are you seeing it? Can you drill it down to who it is in [x organisation] that is telling you that? Then the chief executives can resolve the issue.

This triangulation across the collaboration also worked the other way. Insurers, the Earthquake Commission and Christchurch City Council representatives were able to alert the Governance Group to instances of incorrect advice provided by Independent Advisers concerning particular processes or emerging issues. Again, this allowed the RAS manager to update advisers to ensure that future advice in the relevant areas was correct. Here too, participants noted that changes to Independent Adviser practice as a result of information from stakeholder organisations could require more than one iteration to achieve.

Once reports had been discussed and approved for release by the Governance Group, they were disseminated through recovery networks. The dissemination of information had a dual function. It helped to raise the profile of the RAS, demonstrating its value to stakeholder organisations and funding bodies (as one participant noted, dissemination of the reports put a stop to early speculation in his organisation as to whether 'RAS was really doing anything').

At the same time, it helped to raise situational awareness of emerging residential recovery issues, providing early warning of the shift, for example, from problems with scope of works, to concerns about building quality and cash settlement (Appendix 1).

The Community sector

The independent responsible for representing community interests in the Governance Group distributed monthly project reports to community organisations through the Community Forum and CanCERN. Both these umbrella groups were specifically formed to bring a range of community organisations together to focus on earthquake-related issues, so were well placed to disseminate the reports more widely. The dissemination of monthly reports was identified by the community representative as a key element in his capacity to continue to actively represent the community perspective to the Governance Group. He relied on members of these umbrella organisations to respond to reports with further investigation at the community level of particular issues of concern, and to relay feedback and questions for the community representative to raise on behalf of communities at the next Governance Group meeting (Figure 6). Community Forum members were chosen from nominations put forward by community groups and sectors. Each was able to distribute the report back through their own networks. The Community Forum met twice a month, allowing members to discuss information from reports at weekly meetings, and with their community networks, raising issues for him to take back to the following Governance Group meeting. CanCERN used its distribution network to disseminate information and gather feedback (Figure 5). Updates from reports were published in the regular CanCERN newsletter, and appeared along with RAS promotional material on the CanCERN website; since both newsletters and website remained (and still remain) open access, this ensured that report information remained in the public domain indefinitely.⁹⁵

The Christchurch City Council

There was considerable overlap between recovery-focused community groups such as CanCERN and the Community Forum and the more traditional community networks (including resident's associations, community boards, faith and sports based groups) involved in ongoing Christchurch City Council community engagement activity. Community Law, for example, was one of a number of non-profit organisations providing free services to residents, including community mediation and collaborative law providers. Although many had not been included in the collaboration that led to the establishment of the RAS, they did become part of the flow of information to and from those representing this local council and communities in the Governance Group (Figure 6).

95 cancern.org.nz

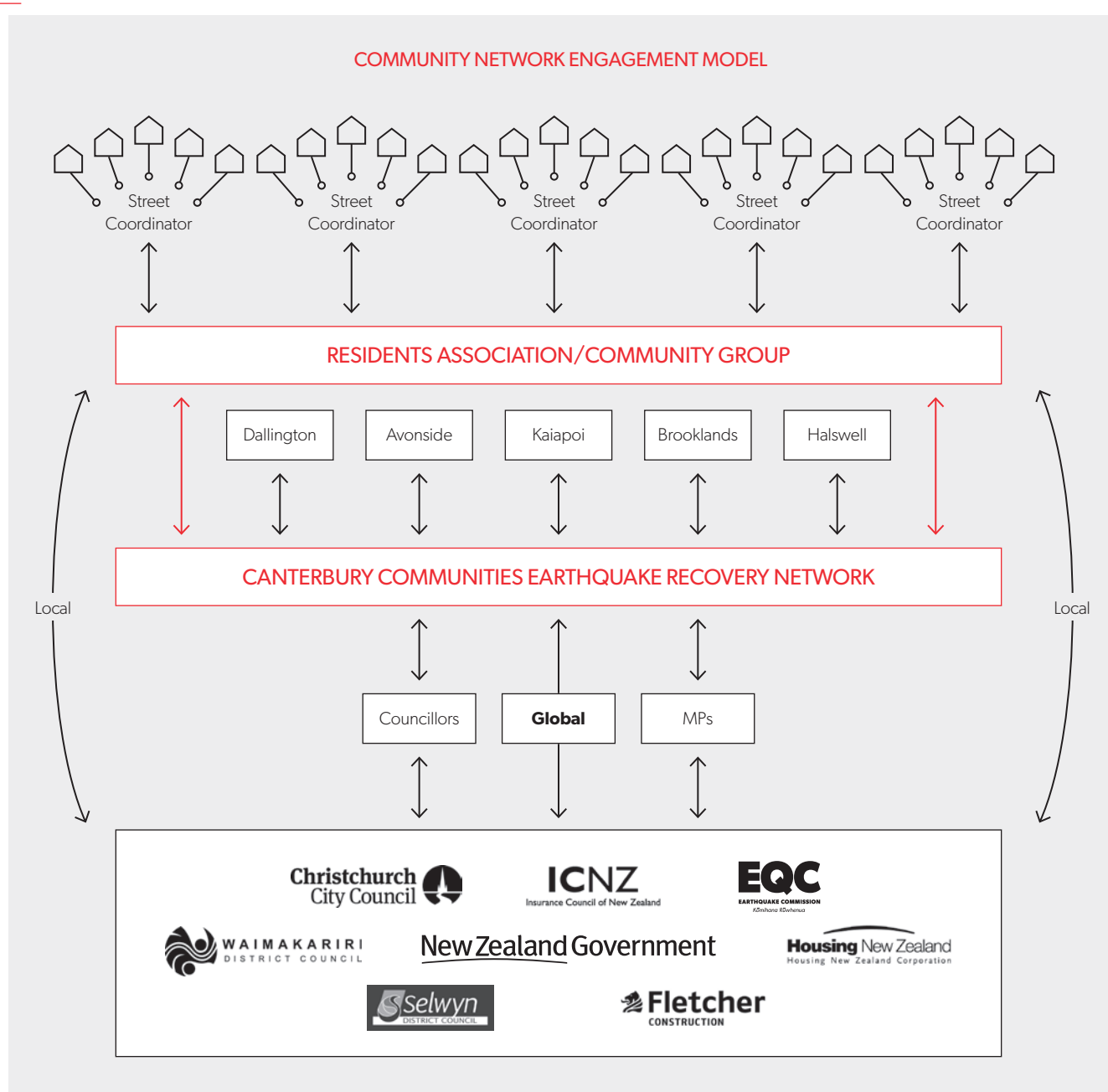


FIGURE 5: CANCERN COMMUNITY ENGAGEMENT MODEL (CANCERN.ORG.NZ; CITED IN ABDULATIFF 2011).

Sequential Christchurch City Council representatives distributed reports to council staff and elected officials, including Councillors and Community Board members. The dissemination of reports was part of a wider information flow between the council and the RAS. This included more direct interventions in council operations by council Governance Group representatives, and (increasingly, over time) by the RAS manager, to address consenting and other council-related issues that had come to light through the service. As one participant put it:

I knew the building consent guys well enough to go and wander and have a chat to the managers and go, 'What's going on?' and, 'Who can I link with?' But very quickly it became a [RAS manager] thing to deal with. What [he] was always trying to do was remove obstacles, just get this obstacle out of the way.

As a critical source of information about obstacles to residential recovery that fell within the Christchurch City Council sphere of influence, RAS monthly reports were also an important vehicle for the dissemination of information to elected council officials concerning emerging residential recovery issues:

In terms of communicating back with the political body those reports were vital. When I'd have a call from a councillor, I'd be able to say it's actually on page three. In fact, what I started doing was sending emails with a 'these are the key things you might want to look at in the report' and attach the report.

The insurance and central government sectors

The duality of the Earthquake Commission's status as a government entity and an insurer meant that in effect, insurance and government sectors both had two representatives on the Governance Group. At that time, the same Cabinet Minister held both the Earthquake Commission and Earthquake Recovery portfolios, meaning he was responsible for both the Canterbury Earthquake Recovery Authority and the Earthquake Commission.⁹⁶ This overlap is likely to have contributed to high level support for the RAS, and to the wider adaptive governance arrangements linking the insurance and government sectors that gave rise to the RAS. These wider arrangements were tiered, reflecting the vertical organisation of both the insurance and government sectors.

At the operational level, insurers and the Earthquake Commission established a RAS operations group specifically to engage with the RAS manager on operational and process issues that came to light through the service (Figure 6). This group included operations staff from insurers and the Earthquake Commission and their Project Management Organisations, as well as the RAS manager. A representative Independent Adviser was often also included. The RAS operations group met regularly to discuss operational issues that had been presented to RAS Independent Advisers, to standardise and improve operational processes, and to increase

the relevance and effectiveness of the advice provided through the RAS service.

Above that group, the General Managers' Canterbury Recovery Forum included general managers from insurers, Insurance Council New Zealand, the Earthquake Commission and relevant government agencies. This group met every fortnight to raise awareness of emerging operational issues posing threats to residential recovery progress, and to identify collective approaches to resolving them. Issues that could not be resolved at the RAS operations group level could be escalated to this General Managers Canterbury Recovery Forum, instead of the RAS Governance Group. Above that, the Chief Executive's Group provided an escalation pathway for issues that remained unresolved at general manager level. This group also met regularly, and was made up of representative chief executives from each private insurer, and from Insurance Council New Zealand, the Canterbury Earthquake Recovery Authority and the Earthquake Commission.

The extent of overlap and ongoing links between these governance arrangements is indicated in the coincidence of personnel, with several RAS Governance Group members also participating in the General Manager's Canterbury Recovery Forum or Chief Executives' Group.

RAS monthly reports were circulated by the Insurance Council New Zealand representative on the Governance Group to member insurers. The high level of detail contained in the reports contributed to the transparency of this service across the sector, and contributed to growing support for the service from insurers. As late as early 2017, insurers that had settled all their Canterbury Earthquake claims continued to contribute to RAS funding, in recognition of the continuing need for the service.

RAS monthly status reports were also circulated up to central agencies in Wellington, the seat of government, and disseminated across the Canterbury Earthquake Recovery Authority and the Earthquake Commission regional and national networks. Canterbury Earthquake Recovery Authority officials and the Minister responsible for both the Canterbury Earthquake Recovery Authority and the Earthquake Commission contributed to the pressure required to resolve issues that became apparent through the RAS service, and to facilitate enhancements to the service. Over time, awareness of the RAS across agencies was manifest in recognition of the knowledge of the residential recovery that came with Governance Group membership. As one participant put it:

People will come to me with a problem and they will say 'you might be able to offer some insight because you're involved with RAS', you know, or, 'did anything come up at the RAS meeting this month that might help us understand the broader context for X or Y?' And sometimes the answer is yes and sometimes no but there is that wider awareness of the perspective, the broader perspective that this forum can provide.

96 Note that the Earthquake Commission has never been part of the earthquake recovery portfolio.

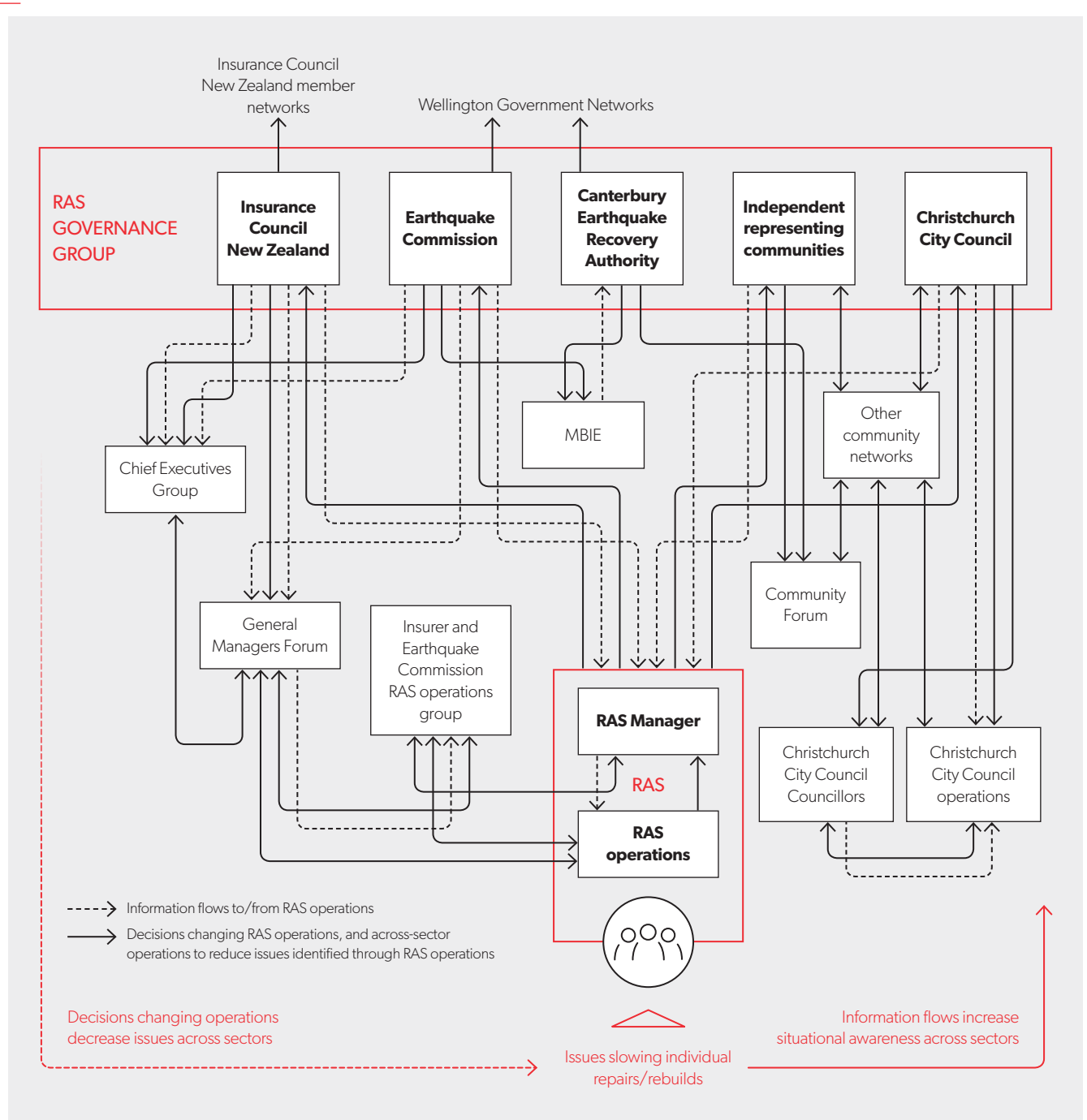


FIGURE 6: INFORMATION AND DECISION-MAKING FLOWS ENABLED BY THE RAS

3.5 Issues and analysis

Everybody had something to win by making this work well and the things that we were worried about were very public, highly politicised, highly emotive and happening in a very difficult environment. So there was a huge incentive to have the right people at the right level at the table and to move quickly and do things that were going to help.

In retrospect, the RAS collaborative governance arrangement appears to have emerged from, and to have remained deeply embedded in the larger set of cross-sector dynamics driven by the residential recovery. The high pressure, complexity and rapid change characteristic of this environment contributed to the two, interrelated dynamics that generated the RAS (Figure 7).

Conventional sectoral arrangements contributed to the tendency to attribute blame for issues to other sectors, due to a lack of the requisite information concerning these issues. At the same time, the disaster had a mobilising effect, driving cross-sector networking around particular issues. Both dynamics manifested around the

same issues, often through the same structures and groupings, and occasionally through the same individuals. All participants understood the RAS to have been produced out of the tension between the negative dynamic that gave rise to the need for the service, and the collaborative dynamic manifest in the service. Both were driven by what Birkland has called the political ‘focusing effect’ of disasters,⁹⁷ fuelled in this case by the media spectacle of distressed residents waiting for claim settlements in damaged housing, and divisive blame attribution. As one participant put it, ‘the imperative was to make this screaming sore go away... there’s no reason most of those people [in the Governance Group] would have ever spoken to each other without this crisis really’. Another participant identified the ongoing negative pressure in the wider environment as a necessary component in the capacity of the RAS collaboration to adapt the service in response to emerging issues:

You have to have the people inside the tent, which is what we were definitely... but you also need those people out there who are very out of the tent who are just continually throwing stones... at the time they did hold things to account.

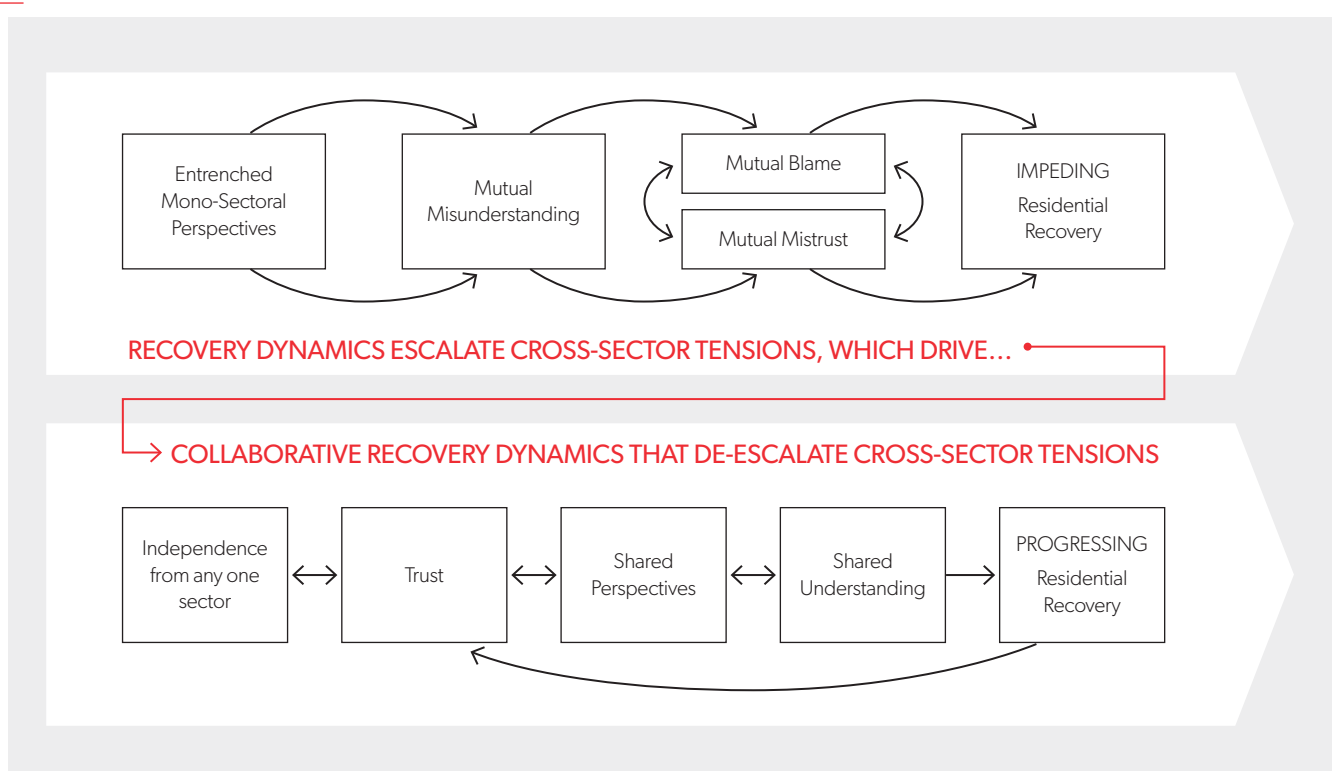


FIGURE 7: CROSS SECTOR RESIDENTIAL RECOVERY DYNAMICS

⁹⁷ Birkland 1998; 2009.

These reflections underline the complexity associated with the concept of independence in this recovery environment. Pressure from those outside the tent drove the formation of the independent collaborative governance arrangement inside the tent, and continued to contribute to the ongoing preoccupation with establishing and maintaining the independence of both operations and governance. Even those ‘very out of the tent’ were thus an integral part of the wider networking that resulted in the establishment of the RAS, and its ongoing focus on adapting to address the needs of homeowners.

As a collaborative governance case study, the RAS throws light on the ongoing interdependence of blame attribution and mistrust, and the mobilisation of adaptive governance networks. These phenomena have both been observed after other major disasters, where they are driven, as in this example, by the urgency and magnitude of the task combined with the politicising effect of the disaster itself.⁹⁸

Less attention has been paid to date, however, to the way these dynamics combine to produce a clustering effect, as emergent networks come together in adaptive governance arrangements around particular issues across the recovery environment. The workshop organised by the Canterbury Earthquake Recovery Authority, the Earthquake Commission, insurer chief executives and Insurance Council New Zealand in August 2012 to understand the issues facing residents brought two distinct network clusters together. On the one hand, this event was the culmination of intensive networking activity in the preceding year within the private insurance sector, between the government and private insurers, and between government and insurance sectors. This activity was largely focused on coordination, and on legal and technical issues. The other network cluster involved in this workshop had emerged at community and local council levels to focus on the needs of residents and homeowners. Pressure from these community-level networks on the Canterbury Earthquake Recovery Authority and the Recovery Minister to provide specialised support for homeowners struggling to understand complex claim settlement processes was also a contributing factor in the August 2012 workshop.

What distinguished this workshop from most of the insurer/government and community networking activity that led to it was that it brought these distinct network clusters together.

This made it possible to identify the issue holding up claim settlements at the time, and to forge agreement on the collaborative development and implementation of a tailored service, provided to the public free of charge, to address such issues as they emerged. The RAS public profile, formal structure and function, and the focus on delivering a free public service distinguish this collaborative governance arrangement from the wider, more loosely connected and fluid adaptive governance networks that produced it. Equally,

the flow of information and decision-making to and from those wider networks through the RAS illustrates the coordinating role that collaborative governance platforms of this kind can play. As a stabilising node in larger adaptive governance networks, the RAS was able to focus and channel knowledge and resources from those wider networks onto resolving the particular problems faced by homeowners engaged in the residential recovery.

3.5.1 THE CHALLENGE OF COMMUNITY REPRESENTATION

This view of the RAS collaborative governance arrangement as a dynamic system also highlights an obvious difference between insurer/government and community network clusters. Private and government sector networks fall easily into adaptive governance arrangements together. Both sectors are made up of similarly stratified organisations and systems, which provide roughly equivalent representative and decision-making mandate, and fund Governance Group participation. This structural alignment facilitates cross-sector networking. The General Managers’ forum, for example, brought general managers from private and government insurers together with those from central and local government agencies. Mandated and funded to take part by their home organisations, these general managers had comparable decision-making authority. The networks that emerged at community level to cluster around residential recovery issues, by contrast, were as diverse and varied as the populations that gave rise to them, with ‘pop up’ activist and special interest groups coming together with a wide range of discrete clubs, associations, faith-based groups and non-governmental organisations already active at community level before the disaster. This diversity and comparative lack of structure meant that those contributing to and leading such activity usually had to do so on a largely voluntary basis, and with a range of less stable representative mandates, often at financial, transactional and personal cost.⁹⁹ Post-disaster time-compression and politicising effects can increase these costs.

Ensuring that community interests are represented in adaptive and collaborative governance arrangements is critical to ensure that perspectives from the ground inform the identification of both residential recovery issues, and the measures used to address them. The lack of structural alignment, however, between the adaptive governance arrangements that form at the community level and the vertically structured arrangements that emerge across private and government sectors (and associated risks to community representatives) makes including communities a significant challenge.¹⁰⁰ This underlines another important point of difference between the RAS collaborative governance arrangement and the adaptive governance networks that produced it. Insurer/government and community and local council networking occurred

98 Birkland 1998, 2009, Aoki et al. 2016.

99 The independent representing communities in the Governance Group, for example, did so on an entirely voluntary basis.

100 Thomalla & Larsen 2010.

and was largely focused at particular levels (with community activist and council focus at local level, and insurer/government networking occurring at operational, general manager and chief executive levels, for example). By contrast, the RAS collaborative governance arrangement was structured to incorporate and span these levels, and so function as a vertical integration mechanism that focused the flow of information and decision-making through these wider configurations to address obstacles to residential recovery.

This structure allowed the RAS to address the challenge of including community representation in three ways. Firstly, through the recruitment of a community representative to the Governance Group who was connected into more than one major community network involved in the residential recovery. Secondly, by making the Governance Group explicitly accountable to 'residents/communities affected by the recovery', which enhanced the influence of the community representative on Governance Group decision-making. And thirdly, by ensuring that detailed data gathered at the service provision level concerning the types and origins of residential recovery issues were regularly brought to the attention of a group of people with the combined awareness, authority and connections to use it as the basis for decision-making. Rather than coming at a net cost to those contributing it, this information was generated as a by-product of providing free logistical, legal and technical advice and support. To this extent, the RAS arrangement is an important reminder of the value service-provision data can offer in recovery environments. This value relied heavily, however, on the collaborative governance arrangement that brought this data to the attention of senior decision-makers at the national level together with community and local council representatives, who analysed it collaboratively with a view to acting for the benefit of the residents of greater Christchurch.

When considering the challenges associated with including community representation in the RAS Governance Group in hindsight, some participants reflected that recruiting several community representatives to the Governance Group might have better met this challenge, by widening their collective representative mandate, increasing community influence on Governance Group decision-making, and reducing pressure on unfunded community representatives.

3.5.2 THE INDEPENDENCE CHALLENGE

Two specific challenges that dogged the RAS collaboration were associated with apparent difficulty understanding why the service needed to be independent with respect to clients as well as insurers. Firstly, the relationship between the Governance Group and the elected branch of the Christchurch City Council remained difficult, despite the inclusion of a Christchurch City Council representative on the Governance Group, and an early Mayoral funding commitment. Although Councillors eventually voted to contribute to RAS funding, they did so only after several years of

intensive lobbying and a number of business case presentations. Some elected officials, in particular, continued to express concerns and make erroneous statements in the media that indicated that they did not understand why the service had to be independent with respect to clients, as well as insurers.¹⁰¹ The second, and most enduring of these challenges concerned a key risk to the service identified in the six-month review: Independent Advisers were at times behaving in an adversarial way on behalf of RAS clients. Despite a range of ongoing measures to ensure that Independent Advisers understood the importance of developing positive relationships between RAS clients and insurers, the impression that Independent Advisers were not as independent of their clients as they were of insurers persisted.

As several participants noted, this was likely to have been at least in part a reflection of legal culture. Lawyers are trained to advocate for clients. As one participant noted, this can mean that recognition of the threshold at which positive engagement becomes adversarial can occur at higher levels in legal circles than it might in private or government sectors. Legal phrasing is also likely to have contributed to this problem. As another participant put it:

If somebody says 'my client is prepared to settle for \$380,000', an insurer who receives that from a lawyer will think, oh, okay, what is this? But not if they hear 'Actually this is what the client has said. We've advised this. Over to you whether or not you can see that there's room for settlement in there'.

The broader evolution of the RAS Governance Group collaboration, however, suggests a further contributing factor. Inclusion and face-to-face communication were key to the development of shared understanding. When the Canterbury Earthquake Recovery Authority took the service 'in-house' to develop, for example, this shared understanding seemed to suffer within months. Insurers became less trusting of those developing the service, while the team appeared to become less alert to the need to ensure that service provision was strictly independent not only in relation to insurers and government, but also with respect to clients, the other party in the contractual relationship with insurers. It follows that the strict separation between Independent Advisers and the Governance Group may have made it similarly difficult for Independent Advisers, trained to advocate for clients, and in the absence of the insurer perspective, to really grasp the need to provide advice that was impartial with respect to clients as well as insurers.

The same point can be made about the Christchurch City Council. Although the senior council manager subsequently recruited to the RAS was kept informed about the collaborative development and implementation of the RAS, he was not directly involved. There were no Christchurch City Council representatives at the August 2012 stakeholder meeting. A conversation between the Canterbury Earthquake Recovery Authority Chief Executive and

101 Christchurch City Council 2013, Cairns 2013.

the Christchurch Mayor in December that year marked the extent of elected council official involvement in the development of the RAS prior to its launch. Remaining largely outside the collaborative networks that gave rise to the RAS, the Christchurch City Council (and particularly elected official) perspective remained largely informed by their mandate and responsibilities. Attempts to explain the RAS service to Councillors as late as 2015 underlined the extent to which they had remained out of this loop until this point.

In both these examples, stakeholder organisations with traditions of advocacy were not actively included in the collaborative activity leading to the establishment of the RAS collaboration (in the case of the Christchurch City Council), or the ongoing collaboration at Governance Group level (in the case of RAS Independent Advisers). Both continued to find it difficult to recognise the need for an advice service that was independent with respect to clients as well as insurers.

This parallel between the Independent Advisers and the Christchurch City Council draws attention to the antithetical mechanisms used to achieve independence within the RAS itself. Independence was achieved at the Governance Group level through an inclusive process that aimed to share decision-making authority as evenly as possible between members, to evenly balance the influence of the stakeholders involved. The independence of RAS advice provision, by contrast, was achieved not by balanced inclusion, but by structural separation. Independent Advisers were contracted through an independent provider, and worked at independent geographical locations, ensuring an almost complete separation from the Governance Group. Separation as the basis for independence is the traditional concept underpinning conventional sector arrangements, and founding judicial, executive and parliamentary authority in New Zealand. The use of balanced inclusion to achieve independence is more recent, and is driven in part by growing awareness of the need to coordinate responses to complex social issues.¹⁰²

In early 2012, the traditional understanding of separation as the best way to achieve independence drove political pressure from communities and the Christchurch City Council for the establishment of a service that advocated for clients against insurers. When those involved in the establishment of the RAS resisted this pressure by opting for a service that provided impartial advice, the Christchurch City Council responded by endorsing and fully funding an alternative advocacy service for residents, the Canterbury Insurance Advocacy Service. This decision was based on the understanding that this parallel service would be more independent than the RAS because it was staffed by residents, and because it would advocate on behalf of clients, against insurers.

A spokesman at the time called for the need to grasp the fundamental difference between advisory and advocacy services, adding:

*The Canterbury Earthquake Recovery Authority has just announced the establishment of a Residential Advisory Service, nine months after the Council called for an Insurance Tribunal and Advocacy service. Recognising that no-one was going to compel insurers to treat residents fairly and reasonably, the Council today resolved to back those who will.*¹⁰³

As this rhetoric suggests, the equation of separation with independence arose out of – and contributed to – the climate of mistrust and mutual blame attribution driven by the failure of conventional sectoral arrangements to provide the coordination required by the residential recovery.

The implementation of the Canterbury Insurance Advocacy Service, like that of the RAS, illustrates the need for cross-sector collaboration in recovery environments. Three months after it was launched, the Chair of the Canterbury Insurance Advocacy Service Board resigned from the activist group WeCan. He also announced that the term ‘Assistance’ would replace ‘Advocacy’ in the name of the service. These ‘good faith gestures’ were aimed at improving relations with insurers and the Earthquake Commission, ‘with whom the city council-funded service must work to resolve quake-related insurance disputes for vulnerable customers’.¹⁰⁴ This change of tone and direction suggests that the earlier adversarial approach risked further aggravating division and mistrust between clients, insurers and agencies.¹⁰⁵

In hindsight, all participants in this study were strongly of the opinion that resisting the pressure for a service that advocated for residents against other stakeholders was a critical lesson. Those involved in the establishment of the RAS recognised at the time that the success of the RAS would continue to rely on the collaboration and inclusion of all involved, because the RAS itself emerged from a junction between community and insurer/government networks. The apparent inability to widen this junction by including Christchurch City Council representation in the early problem-identification stage likely contributed to ongoing difficulties gaining Christchurch City Council support for the RAS. The Christchurch City Council was always seen as a key RAS stakeholder due to its responsibility to its constituents, and its consenting and other roles in the residential recovery. Including Christchurch City Council representatives at this early stage would have included them in the awareness and consensus building processes that generated the collective view of the problem holding up claim settlements at the

102 The legal analogy is with collaborative law and mediation initiatives, which are similarly focused on bringing parties together to resolve issues by finding common ground (rather than adversarial contest).

103 Christchurch City Council 2013.

104 Greenhill 2014.

105 In addition, advocacy services as such require costly liability insurance, which would have significantly reduced the amount of funding available for the service itself.

time. The flow-on effects would have been likely to have continued to build understanding in both elected and operational council branches of the difference between advocacy and impartial advice, and why impartial advice was required to build trust between insurers and clients. Inclusion at this early stage might also have created a greater sense of ownership of the service, and so have brought it on board as a committed funding partner from the outset, precluding the need for a separate service.

Some participants made the same point, in hindsight, concerning the inclusion of a Community Law representative on the Governance Group, suggesting that this would have created a closer relationship between Independent Advisers and the Governance Group without compromising the independence of the service.¹⁰⁶ They were also of the opinion that more contact between Independent Advisers and Governance Group members could have improved communication and understanding on both sides, and diminished any suggestion at the time that information from the operational level was being influenced by the central government agency hosting the service. Others wondered if legal advice might have been better provided as an optional service as needed from the outset, like technical advice, rather than as the initial and main source of client support. If that had been the case, there would have been no real obstacle to including a Community Law representative in the Governance Group to support the independent community representative. This option would also have facilitated a Community Law perspective on issues, and included this legal stakeholder in the shared understanding of the purpose of the RAS. Including service provider and local council representation in decision-making from the pre-design stage onwards would also have increased community influence at governance level, and extended the reach of the information and decision-making flows through the RAS into the cluster of local government community networks.

It is likely however that the structural misalignment that makes it difficult to include representation from the community level in vertically integrated initiatives would always have made these options particularly difficult. As local authority and established local non-governmental organisation (respectively), both the Christchurch City Council and Community Law were heavily involved in recovery networking largely focused at the local level, on local issues and the needs of residents. The particular set of conditions that gave rise to the RAS greatly exacerbated the challenge of bringing them into the collaboration. Tension between the embattled Christchurch City Council and central government came to a head just as the RAS was being established,

which probably put Christchurch City Council involvement in the RAS collaboration out of reach. Including a Community Law representative on the Governance Group while also using this organisation as the service provider could have heightened the risk associated with the perception that the service was not independent of insurer and government influence, particularly in the early phase of the RAS. As a respected professional body, with an established record of providing independent legal advice and supports to communities in the region, Community Law was likely the only entity capable of lending the service the demonstrable independence in relation to insurers that was required at the time. Community Law was also the obvious provider choice at the time because most clients were at the point of making decisions about their offers. Since the need for legal support was at its highest when the August 2012 workshop took place, it would have been difficult to make a case for a service that included legal support as an optional extra.

3.5.3 THE CHALLENGE OF RAPID CHANGE

We were always aware that we were using yesterday's tools to address today's crisis, knowing we would be judged by the standards of tomorrow

It has been established that the widespread damage caused by disasters requires that a planning and building effort that would otherwise take place over decades (through usual processes of demolition and renewal) must occur in years. The resulting time compression effect has been identified as the single and most defining characteristic of recovery decision-making environments.¹⁰⁷

Perhaps the most obvious impact this had on the RAS was a tendency on the part of the Governance Group (and home organisations) to underestimate the likely future need for the service. Early scepticism concerning the RAS model contributed to the initial decision to fund the service on a 12-month basis. It is also likely that a tendency to assume that the greatest need would coincide with this first year contributed to this decision. Those involved in the workshop in August 2012, for example, were aware that the widespread need for legal support would diminish once the majority of affected homeowners moved past the offer stage into managed repair and rebuild processes. As this occurred in the first 12 months, however, the nature of demand for the service began to shift. Homeowners required more technical support, of different kinds. In recognition of ongoing demand the Governance Group underwent another round of negotiation in 2014 to access a further 12 months of core funding from home organisations (in addition to

¹⁰⁶ There is no evidence that at any stage those involved considered including a Community Law representative in the Governance Group, or any legal domain representation, although Community Law was actively involved in the original workshop.

¹⁰⁷ Olshansky Hopkins & Johnson 2012.

continuing to negotiate for the Christchurch City Council funding contribution). By 2015, the bulk of comparatively straightforward repairs and rebuilds had been resolved. Again, however, this did not result in a drop in demand for the service, since the cases that were still engaged with insurers and the Earthquake Commission at that point were more complex, difficult and often expensive, frequently involving a number of parties in conflict. Clients presenting to RAS at this time were consequently likely to take much longer to have their cases resolved, and to require higher levels of brokering support. In recognition of this continuing need, a further round of negotiations in 2015 secured core funding for the RAS until May 2016. This included support from the Christchurch City Council following a vote on 25 May 2015 to contribute to funding until May 2016 (as well as retrospectively reimburse the Christchurch City Council share of the 2013 and 2014 core funding). Just as the transition to the Ministry of Business, Innovation and Employment occurred, the RAS introduced a new brokering service, the multi-party meeting ‘light’ option, to supplement the work of Independent Advisers. From that point until the time of writing, the RAS has continued to support homeowners through repair and rebuild processes.

This process is consistent with other findings indicating that collaborative governance arrangements can develop in a cyclic, rather than linear way.¹⁰⁸ The RAS illustrates this cyclic progression as a consequence of the capacity of this arrangement to adapt in response to changing demand. The collective perspective enabled by the initial workshop to identify ‘the problem’ in this way underpinned the ongoing Governance Group function, as those involved continued to focus on pinning down an ever-changing ‘problem’, by assessing changing demand and evaluating and adapting the service to respond to it.

The learning here is about realistic expectations concerning likely ongoing demand. A longer timeframe from the outset would have reduced the Governance Group’s workload, and provided more certainty in the first three years of the service. The challenge for future recoveries is to anticipate the need for such services, to continue to adapt in order to address changing needs as the recovery moves through different phases. This can be difficult in the early recovery phase, when there is an understandable reluctance to accept that there are no ‘quick fixes’, and that residential recovery problems can be complex, and in some cases go on for years.

3.5.4 LEADERSHIP CHALLENGES

Flexible, adaptive leadership was required of all involved in the RAS collaborative governance arrangement. Governance Group members had to balance the shared commitment to outcomes of public value that drove the collaboration against the ‘unique accountabilities’ each had to their own member organisations and sectors. While this was sometimes challenging in Governance Group meetings, taking RAS Governance Group resolutions ‘back’ to home organisations and sectors could be more so. As one participant put it:

Where there has been tension or difficulty is further back in each of the participating organisations, where there is less sense of accountability for a shared outcome. It’s like, you know, trade negotiators often have an easier time negotiating trade deals than they have in selling the outcome of the negotiation back to their respective governments. There’s much less incentive for people supporting very specific service functions in the home organisations to take the RAS seriously, to feel vested in the outcomes and to feel accountable for their own delivery of information.

The transparency of the service – particularly the dissemination of monthly report data detailing the types and locations of presenting issues – was open to interpretation within home organisations as a potential threat to brand. Ongoing leadership was required of Governance Group members to influence reactive responses to this situation, and to serve where necessary as moderating ‘buffers’ between the RAS and their home organisations. The wider climate of suspicion and blame attribution contributed to this challenge, by continuing to focus public distress, mistrust and anger on organisations and sectors involved in the residential recovery. Those funding the RAS and represented in the Governance Group were not able to mitigate these perceptions by claiming the credit and goodwill that might otherwise have flowed from their investment. To be effective, the RAS had to remain independent. This wider negative dynamic at times required leadership under fire from those representing insurers, the Government, the Christchurch City Council, and communities, when they came under direct often personal attack in both mainstream and social media.¹⁰⁹ As one participant put it, the Governance Group needed to be

as representative as possible, but also as pragmatic as possible, because you have got to be pragmatic... you have to roll with some punches.

¹⁰⁸ Ansell & Gash 2008.

¹⁰⁹ Vitriolic and sometimes slanderous social media posts, for example, singled out individual the Earthquake Commission employees for personal attack. Responsible for the Earthquake Commission and the Canterbury Earthquake Recovery Authority, the Recovery Minister was a regular target for attack on both fronts, while insurers and Insurance Council New Zealand representatives came in for similar treatment. Most of the most extreme social media posts came from those purporting to represent community and resident interests. Mainstream media contributed to pressure on the insurance, local council and government sectors, while both central and local government also used media and other channels to put pressure on insurers and each other.

The RAS also relied heavily on adaptive leadership outside the immediate sphere of the Governance Group. Although investigating this leadership was outside the scope of this project, it is useful to list the main proponents here. Adaptive leadership was required of Independent Advisers, for example, who had to balance legal advocacy training and conventional practice approaches against the need to provide advice that was independent of client interests, as well as those of insurers. The RAS also relied heavily on champions of the service at high levels in both government and insurance spheres. Without this support behind the scenes it would not have been possible to gain the commitment to continue to fund and adapt the service, and maintain the Governance Group's freedom to remain independent of the stakeholder organisations represented in the group. Several participants noted that, although the RAS remained independent, it relied on action at ministerial and chief executive levels to provide political pressure in support of its goals when required (to fund the professional technical advisory panel for example). Champions of the service at the community level were also critical. Tirelessly promoting the RAS, organisations such as CanCERN and the Community Forum petitioned agencies and non-governmental organisations to fund additional services for RAS clients. Routinely disseminating information concerning emerging residential recovery issues across residential recovery networks, they regularly gathered community feedback on residential recovery issues and RAS decisions and initiatives.

The greatest challenge to this adaptive leadership arose out of comparative invisibility. Occurring largely behind the scenes, as part of wider adaptive governance networks, adaptive leadership activities remained much more difficult to record and measure than the performance of the service, and the adaptations used to keep it focused on achieving its purpose. This also applied to the outcomes of this activity. It is much easier to record the number of clients presenting issues that are resolved through a service than it is to record the number who do not have to use the service because issues have been resolved at their source. This challenge also contributed to the difficulty of keeping home organisations aware of the wider value produced by this collaborative governance arrangement, and by those representing them in the Governance Group. Adaptive leadership behaviour was not always recognised and rewarded through the range of incentive regimes oriented toward organisational and sector-specific goals.

CONCLUSIONS

In the past 20 years New Zealand's disaster risk management framework has relied on the devolution of responsibility for managing disaster risk, response and recovery to regional and local levels. This approach is consistent with current United Nations guidelines.¹¹⁰ The development of the RAS was necessary, however, because responding adequately to the scale of the needs of insured homeowners after this major disaster was far beyond the resourcing and connective capacity of communities and local and regional authorities. National-level insurer and central government decision-makers provided the capacity that made it possible to fund, design and implement a service tailored to provide the legal, technical and logistical support required. Those involved at this level, however, could not have provided this tailored service without ongoing input and influence from community and local government levels. Community representation in the Governance Group, and the flow of detailed service data were essential to maintain the awareness required to ensure that the RAS continued to address the needs of residents and communities. The RAS clarifies why vertical integration is so badly needed after disasters, and also illustrates the capacity of collaborative governance arrangements to provide it.

The RAS Governance Group was a cross-sector coordination platform focused on identifying and reducing issues that were making it difficult for residents to progress through claim settlement and repair and rebuild processes. In addition to providing a clear-cut solution to this well defined problem, the RAS was a concrete response to the need for more – and more effective – cross-sector coordination in the early recovery. As such, it developed into a significant node in the wider adaptive governance networks that emerged to address that need. These networks were driven by the escalating blame attribution and mistrust that resulted from the absence of effective cross-sector coordination mechanisms. It has been established that collaborative governance arrangements in non-recovery contexts rely heavily on the perception that the interests and influences of those involved are evenly balanced.¹¹¹ The high levels of mistrust at the time that the RAS was established illustrate the risks associated with failing to aim for this balance. They also provide context in relation to the tendency of collaborative governance arrangements to arise out of dysfunctional cross-sector relationships under pressure. No-one involved in the establishment of the RAS could have failed to be aware of the importance of demonstrating that both the service and the Governance Group were independent of the sectors involved. This awareness informed the preoccupation with transparently balancing sector interests, and with governing the RAS for the

benefit of the residents and communities affected by the recovery, which enhanced the strength and focus of the collaboration.

What might this mean for those involved in planning for or recovering from future major disasters?

The development of the RAS collaborative governance arrangement was highly specific to this particular recovery, and the adaptive governance networks that emerged in response to its unique combination of issues. Although complex social effects of this kind cannot be controlled, they do not happen in the absence of direction and action from the sectors and individuals involved. On the contrary, the RAS resulted from sustained, concerted efforts to coordinate the identification and resolution of the residential recovery issues at all levels and across all sectors, and relied on vigorous adaptive leadership from all involved. A 'hands off' approach that left this system to self-organise would have risked exacerbating the negative dynamics created by existing sector arrangements.

Moreover, although the set of issues addressed through the RAS were unique to this disaster, the key principles underpinning this collaborative governance arrangement are more widely applicable. Cross-sector coordination is always going to be necessary to conduct large, complex recovery operations, for example, regardless of the distribution of responsibility for this operation across sectors and organisations. The RAS example suggests that rather than specifying this distribution in advance, it might be more effective to emphasise adaptive leadership, and flexible governance approaches. This could involve requiring, for example, that collaborative governance in recovery contexts be developed to respond to community need by drawing as inclusively as possible from the adaptive governance arrangements that have emerged in response to the unique configuration of issues created by each disaster.

More broadly, the principles underpinning the RAS are in line with those recently identified as best recovery governance practice.¹¹² They are also strikingly consistent with those founding the recent Sendai Framework for Disaster Risk Reduction 2015-2030, to which New Zealand is committed. The framework is based on the premise that:

*There has to be a broader and a more people-centred preventive approach to disaster risk. Disaster risk reduction practices need to be multi-hazard and multisectoral, inclusive and accessible in order to be efficient and effective.*¹¹³

110 Empowering local authorities through regulatory and financial means to manage disaster risk at the local level is the subject of Guiding Principle 19 [f], as well as Priority Action 2, 26 [h], for example, in the recently ratified Sendai Framework for Disaster Risk Reduction 2015-2030 (p. 13, 18 UNISDR 2015).

111 Cash et al. 2003.

112 Johnson and Olshansky's (2016) recommendations, for example, are based on the principles of primacy of information, stakeholder engagement and transparency. Similarly, Smith and Birkland conclude that 'moving from hierarchical, rule-bound systems of disaster recovery to networked, cooperative, non-hierarchical systems could, if adopted, significantly improve recovery processes and outcomes after major or "catastrophic" disasters'. (p. 164, Smith & Birkland, 2012).

113 7, p. 10, UNISDR 2015.

One of the priority actions required to achieve this broader approach is the establishment of cross-sector coordination mechanisms, such as local, regional and national platforms composed of all relevant stakeholders, to focus on disaster risk reduction.¹¹⁴ The recent series of disaster events in New Zealand has raised awareness of disaster risk, and response and recovery efforts have increased cross-sector connectivity. As both awareness and connectivity inform current reviews of our disaster risk management framework, we have a window of opportunity to focus on this priority action.¹¹⁵ Platforms of the kind proposed in the Sendai Framework would provide a strong foundation for a more vertically integrated national disaster risk management framework, and have the potential to enhance both the rate of emergence and the effectiveness of adaptive governance networks after disasters. The environment that gave rise to the RAS collaboration indicates that the effectiveness of such networks will be linked to the extent to which they are inclusive, particularly of local representation. The difficulty of including community and council representation in collaborative governance arrangements after future disasters would be greatly reduced by the development of cross-sector disaster risk management networks that integrate (rather than just occur at) local (community and government), regional and national levels. The goal would not be to return decision-making authority and responsibility for risk management to central government level, but rather to bring together local, regional and national representatives from communities and a wide range of government and private sector organisations on a regular basis to jointly contribute to decision-making concerning hazard and disaster risk management at all levels. Networks of this kind would have the potential to build high-level awareness of issues emerging at local and regional levels, as well as lay the groundwork for more flexible governance arrangements following disasters.

How applicable might the RAS model be to addressing other complex social issues?

The RAS was developed as a solution to an urgent short- to medium-term recovery issue. All participants felt that the scale of the residential recovery undertaking and consequent urgency and turbulence of the environment were key to the capacity of this arrangement to bring community-level issues to the sustained attention of senior decision-makers in the government and insurance sectors, and to motivate them to collaboratively fund and

provide expensive professional legal and technical advice free of charge to several thousand homeowners. Opinions were divided when it came to the applicability of the RAS model in non-recovery environments. Some were of the opinion that it would be difficult for senior decision-makers to justify the commitment of time and resources required in the absence of large numbers of affected residents, and the associated media and political attention and pressure. Others, however, felt that the success of the RAS model might make this commitment easier to justify, particularly in relation to resourcing and coordinating responses to other complex social issues that generate political and media pressure.

The majority of documented instances of collaborative governance arrangements have occurred in the environmental management context, in this country and elsewhere.¹¹⁶ The use of collaborative governance to develop local targeted solutions to complex social problems remains a comparatively recent phenomenon, however, particularly in New Zealand. It may be that as it becomes more established practice, the threshold that triggers the development of such platforms will become lower. This would increase opportunities to bring community and national level representatives together on a regular basis to make decisions on the basis of evidence of issues from the community level.

More integration between disaster risk reduction, environmental and climate change management approaches in New Zealand would have the potential to enhance the effectiveness of policy and practice, with benefits to overall resilience at local, regional and national levels. In addition to improving connections across governments and sectors, the transfer of knowledge would be valuable. Environmental examples of medium- to long-term collaborative governance arrangements to address ongoing issues provide a useful precedent, for example, for the kind of regional and local disaster risk reduction platforms proposed in the Sendai framework. Conversely, the RAS model would be highly applicable to acute environmental or climate change issues that require significant resourcing to be channelled to local and regional levels, such as the management of drought relief, or the outbreak of disease affecting a primary industry. Establishing targeted, highly networked collaborative governance arrangements of this kind would help to channel the resources required to provide necessary, tailored support to those affected, free of charge, while gathering the detailed data required to ensure awareness at regional and national levels.

114 Priority 2: Strengthening disaster risk governance to manage disaster risk, clauses 26, 27 (g) UNISDR 2015.

115 The Ministry of Civil Defence and Emergency Management is currently engaging with stakeholders to replace the current National Civil Defence Emergency Management Strategy with a National Disaster Resilience Strategy (civildefence.govt.nz/cdem-sector/national-disaster-resilience-strategy-development). Similarly, a review of the Earthquake Commission Act 1993 was delayed – and informed by – first the Canterbury Earthquakes, and subsequently the 2016 Kaikōura Earthquake (treasury.govt.nz/publications/reviews-consultation/eqc/pdfs/eqc-rev-discussion-doc.pdf)

116 The vast majority of international collaborative governance case studies concern environmental management, where this approach has the longest history (Bryson Crosby & Stone 2015, Ansell & Gash 2008). The New Zealand government is currently adopting collaborative approaches to resolving conflict over the management of freshwater resources (Ministry for the Environment 2013, Land and Water Forum 2015).

Finally, a comment concerning potential future research. Comparative studies of the RAS collaborative governance arrangement and the less formally structured adaptive governance approaches that produced it, and which have emerged following the 2016 Kaikōura Earthquakes and 2017 Edgecumbe, Bay of Plenty Floods, for example, would provide more insights into the possible thresholds at which collaborative governance arrangements are required to stabilise and channel the flow of recovery information and resourcing through these networks. The likely triggers could be levels of stress among communities, proportional damage, complexity and cost. Comparative research of these recovery governance arrangements and those that have been established in the past decade to manage conflict over water resources would also provide valuable insights. Most immediately, however, the scope of this project leaves open the possibility of further study into the RAS collaborative governance arrangement itself. This case study has not included the 'wind-down' phase of RAS development that commenced in December 2015, when the service host department changed from the Canterbury Earthquake Recovery Authority to the Ministry of Business, Innovation and Employment. At the time of writing this report, five years after the RAS launch, this independent collaborative governance arrangement continues to provide support and advice to homeowners struggling with claim settlement and rebuild and repair processes required due to damage from the Canterbury Earthquakes. This long half-life is consistent with the cyclic evolution of the RAS in the previous three and a half years. Future research into the development of the service throughout this wind-down phase, including eventual outcomes, could inform a useful third section in this case study, allowing it to offer insights into all three phases of this collaborative governance arrangement's 'life cycle' of value to those planning and governing such arrangements in future.

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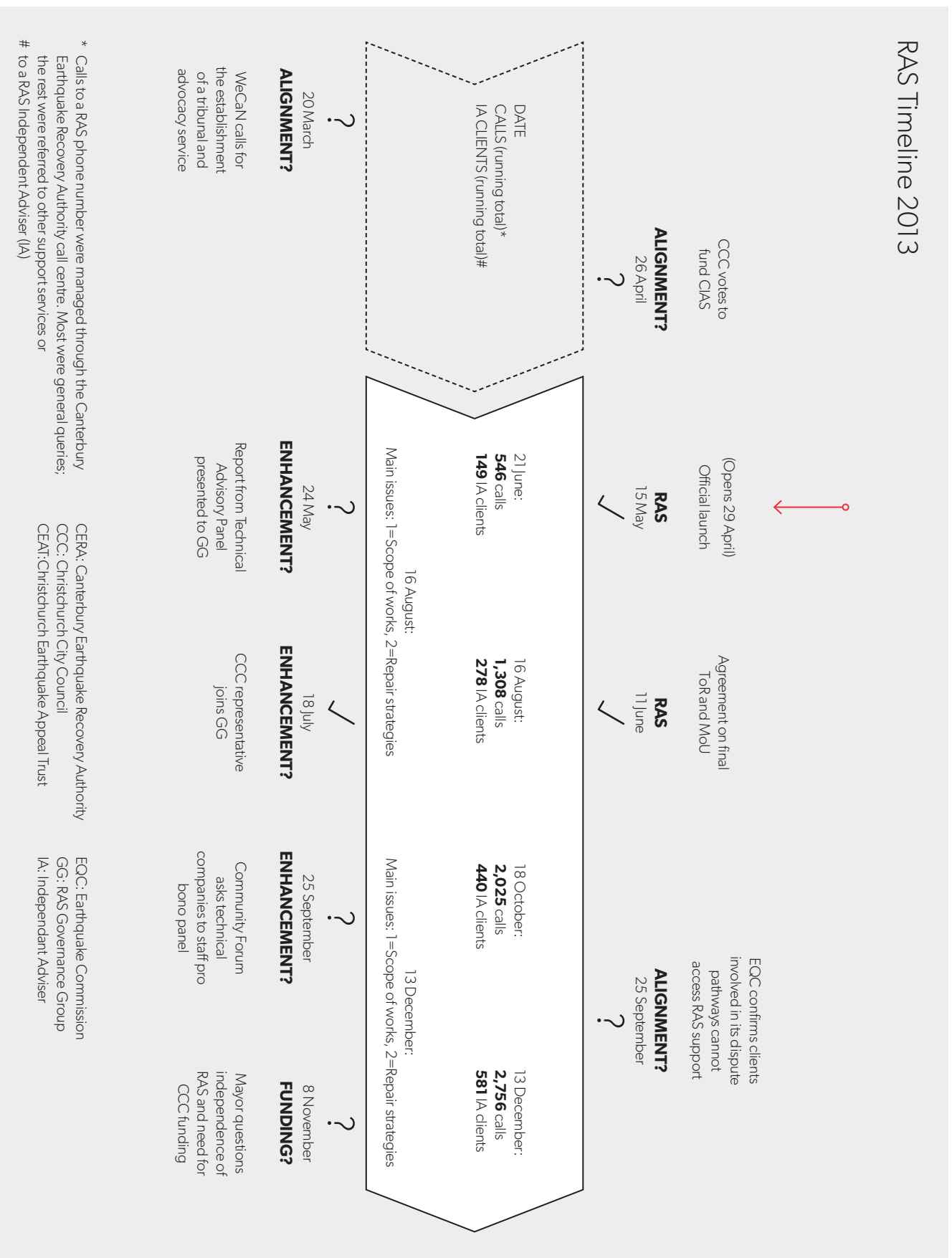
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APPENDIX 1

FIGURE 8: RAS TIMELINE, PROGRESS & MILESTONES 2013-2015



RAS Timeline 2014

CERA CE asks EQC CE for access to RAS for EQC clients

Community Forum asks EQC CE to allow clients to access RAS

Confirmation of CEAT funding for 'on the ground' technical support service

RAS GG working with MBE on technical advisory panel

Confirmation of CERA, EQC and ICNZ RAS core funding until May 2015

Contract confirmed for practical support service until 15 May 2015

ALIGNMENT?

4 March

?

ALIGNMENT?

4 March

?

ENHANCEMENT?

10 April 2014

✓

ENHANCEMENT?

16 May

?

ENHANCEMENT?

10 April 2014

✓

ENHANCEMENT?

22 December

✓

DATE
CALLS (running total)*
IA CLIENTS (running total)#

21 June:

546 calls

149 IA clients

21 June:

546 calls

149 IA clients

16 August:

1,308 calls

278 IA clients

18 October:

2,025 calls

440 IA clients

13 December:

2,756 calls

581 IA clients

6 June:

Main issues: 1 = Scope of works, 2 = Repair strategies

21 November:

Main issues: 1 = Scope of works, 2 = Repair strategies

?

✓

?

✓

✓

?

14 January

ENHANCEMENT?

26 March

ALIGNMENT?

9 April

FUNDING?

18 April

ALIGNMENT?

10 August

ENHANCEMENT?

10 October

FUNDING?

CIAS launch

CIAS 'advocacy dropped' to work closely with insurers/ EQC/RAS

CERA confirms interim funding for RAS service until June 2014

EQC agrees to allow clients to access RAS

MBE-funded technical advisory panel starts

Awaiting outcome of business case for CCC RAS funding 2013-2015

* Calls to a RAS phone number were managed through the Canterbury Earthquake Recovery Authority call centre. Most were general queries; the rest were referred to other support services or to a RAS Independent Adviser (IA)

CERA: Canterbury Earthquake Recovery Authority
CCC: Christchurch City Council
CEAT: Christchurch Earthquake Appeal Trust

EQC: Earthquake Commission
GG: RAS Governance Group
IA: Independent Adviser

MBIE takes over
as RAS host
department

RAS
1 December

13 December:
2,756 calls
581 IA clients

13 December
Main issues: 1=Scope of works, 2=Repair strategies

 \angle

November 2015

ENHANCEMENT ✓

Multi Party Meeting 'light service commences (option of including a broker/facilitator)

EQC: Earthquake Commission
GG: RAS Governance Group
IA: Independent Adviser

