**Merv and Jill**

**Port Hills red zone**

**Area 8: Port Hills**

**White zoned initially, then green zoned, then red zoned in December 2013 due to rock fall risk. Green zoned again in October 2015 following removal of potentially dangerous rocks**

**Merv and Jill’s story**

***Jill*** I work in sales at Millers on Blenheim Road – curtaining, fabrics. I do four days a week there. I’ve done that for a long, long time. I’ve actually been there 25 years, so I worked there when our youngest son was almost ready to start school. We’ve been married for 42 years. I grew up out at Little River and we moved to the city just before I started high school, so I guess that’s why I like this sort of country feel around me, hearing sheep and cows around and things. This is only our second house we’ve ever owned, so we’re not ones to move around. I came from a big family but we’ve just got the two children. Our daughter is in Toronto and our son is in Auckland.

***Merv***I worked for about 15 years at the Christchurch City Council, but when they restructured I took a redundancy package. I was in corporate services as a manager and so mostly dealt with the commercial side in terms of procurement and vehicles and that sort of stuff. I reported directly to the Chief Executive.

Before the Council I spent a bit of time with Telecom, and before that with UEB Industries, so I’ve been all around the corporate services roles. I know my way around contracts and business and negotiations, which helps, more so than actually having studied about it because it was real practical experience. I was Chair of Telecommunication Users Association, which is where I got to know and be known by a substantial chunk of both the Labour and National Cabinets.

After I left the Council I did some consulting in telecommunications and energy and I was Chief Executive of the Christchurch Agency for Energy. We set that up. That was about two-and-a-half to three years. We launched it in July or August 2010. So it was quite challenging to set up and run an organisation that was tied to the Council, and all of a sudden they had other interests. It was quite a fascinating time, though.

**Merv and Jill’s property**

***Jill***We’ve been here 20 years. We paid off our mortgage back in the ’90s.

***Merv*** We also own the vacant section next door. That caught us out a bit. When we bought this place we extended ourselves to the maximum amount, but the neighbour wanted to sell the section and we said we’ll have it. We came to an arrangement and bought the section because we didn’t want to see someone’s plumbing at the back of the house.

***Jill*** We sold off the tops of the two properties, otherwise we’d be way up the hillside and none of those houses would be there.

***Merv*** That paid for the section.

***Jill*** All these trees and things we’ve been removing, well we started doing that before we were red zoned ... For two years that’s just sat and it’s got worse, the creepers that were growing all through everything and that kind of thing… It’s just made a much bigger job for us as far as that goes.

**Reasons for staying and stigma**

***Merv*** If we’d been red zoned up front we might have taken the payout, but we were red zoned three years after the earthquakes, at which stage property prices had gone through the roof and everything else happened. So it was a very, very different situation we found ourselves in, particularly after the high of having been green zoned and getting on with our lives and suddenly being hit with the red zoning out of the blue.

***Jill*** Basically the red zone payout wasn’t sufficient for us to think about moving. We also wondered about the zoning, because our vacant section had been red zoned as well, but it seemed to be borderline − or the official report seemed to say that − and they just lumped it together with this one and made it red. It probably should have been green. So we thought at one stage, “OK, if we can get that bit green we’ll take the payout.”

We talked to an architect and found we could build something there for the payout. That was what got us started on the rock removal. But then if you’re going to do that little bit you might as well do your own property as well. But we didn’t feel the payout was sufficient. We would have been well out of pocket and we didn’t know what we were going to get for the section. They weren’t paying out on uninsured land, so we really didn’t know.

We love living around here. We like the area. Just the general feeling of the valley and having the trees around, and the birds − there’s usually bellbirds out there − and it just seems to be a nice sort of neighbourhood.

***Merv*** Less than 10 minutes to drive into town, or walk into town if you feel like it.

***Jill*** General outlook and things, and the hills nearby and the river.

**Merv** There’s not much of a sense of stigma. It doesn’t seem to matter. There’s people been red zoned around here and no-one really cares. When we were red zoned it was almost as if QV [Quotable Value] and EQC [Earthquake Commission] were given instructions that these people are red zoned so make sure they accept the offer. If they don’t, give them a hard time. No-one else was doing that.

***Jill*** I guess that was the easy way out: just pay you the money and get rid of you.

***Merv*** Our insurance company wasn’t worried about it. The City Council wasn’t worried about it, and in fact they gave us some helpful advice to get the rock zone removed. That was supported by the geologist at the City Council. They said, “There’s no reason that should be in a rock management zone.”

**Reasons for doing an interview**

***Merv*** I hope that’s the end of the rollercoasters. I hope there aren’t any more hidden traps around the corner, but it’d be great if some of the things that we’ve had to live through … They’re not difficult things to fix. It’s just a matter of intention. They just have to say, “We actually want to help these people, we want to do what we’re there for, which is to fix their house.” We’re not asking for major policy changes or anything. We’re just saying, “Be sensible, be reasonable, use common sense.”

What we were looking at was not unreasonable. EQC had the capability to do a lot better. Their frontline staff were trying hard, but the policies behind it were preventing them from doing what was logical and sensible. And if this could somehow get through that thick hide at the top, that you guys really slipped up badly and you could have done better, that’ll be well worth it.

**Finding out about the red zoning**

***Merv*** Initially the red zoning by CERA [Canterbury Earthquake Recovery Authority] was a real shock, because we’d been green zoned and we were all set to get on with our lives. Probably the way CERA handled it in hindsight wasn’t too bad, because they did put senior people on to talk to you and work through things. They couldn’t do a hell of a lot about the red zoning because that was what happened.

***Jill*** Probably the way they told us wasn’t great − phoning us at 8.00 pm. We were down at tennis and just got a phone call on the mobile. Got the letter the next day in the mail. I think they’d suddenly realised they’d better let people know before they get the letter and so it was all these night-time phone calls.

***Merv*** No those calls were to let owners know before it came out in the media.

**Earthquake damage: sewer and water pipes**

***Merv*** The drains have been broken since the earthquakes, so 2011. When there’s heavy rain there’s water in the garage. The sewer also overflows, and that’s how we know to call them up and say, can you clear our sewer please because it’s starting to flow through the garage.

***Jill*** I got quite stressed about the sewerage issue because I thought every time I’m doing a load of washing this water is just going through our garage.

***Merv***If you had a shower or did a load of washing it went through the garage. And the wall was soaked at the back.

***Jill*** Having cracks in the walls and things like that − well, I can live with that. But that sewer side of things was a worry to me.

**EQC**

***Jill*** It was really the EQC side of it that was stressful, because you’d ring them and just get nowhere and get totally frustrated.

***Merv*** With EQC everything was going well until we got red zoned, and then as far as they were concerned we were people who were just not accepting a cash settlement. Why not? We don’t know how much it should be. They calculated their costs based on 2010 prices or 2011 prices.

***Jill*** And we kept saying, we’re that much further down the track than other people that were paid out. It should be on the next valuation. But of course our next valuation came through ridiculously low, so that wouldn’t have helped anyway.

***Merv*** Even Southern Response, when they sent us the cheque for the out-of-scope repairs, they adjusted upwards by 10 percent, saying that costs would have gone up since we actually calculated this and here’s the extra bit. But not EQC, no.

Policy wise EQC are a big negative. I talked to a number of people in their call centres who I just felt were the pawns that were being asked to pass on the unpalatable, because the senior people are too gutless to front up and justify their unjustifiable decisions. I don’t think it was unreasonable to ask for someone at a senior level to come out and have a look at the special circumstances, and that’s got to come right from the top.

It’s more than just losing faith in policies. It’s about being able to get a fair hearing if the policies don’t appear to be measuring up. CERA were very good at working right through, and they had quite clear legislative requirements, which I understand. And you can ring someone up even if it was just to have a cry and a moan. At the City Council there were people that you could actually sit down and work through things with, and they not only worked through them but they would give you suggestions and helpful ideas.

The CERA geologist came out and had a look when we’d completed the rock removal, came out with our engineers, and he had a look before we actually put the application in and he said, “This one here, you might just want to put a rock bolt in and pin this, and you might want to just shave this back and then cover that and then that will do it.” So they came out with suggestions as to how to put something in place that would actually work.

EQC? Nothing. Their policies were holding back their real people who were actually trying to help. I don’t know why they had a call centre. The call centre was there to record your complaints for posterity, but not do anything about them. If we were green zoned and we were going through that, maybe I’d have a different story about EQC, but it was as if we were suddenly not part of the system. We were just someone that EQC said, “You’re not a person anymore. You just shut up and you’re going to get what you’re going to get because we aren’t going to change, we’re not going to do anything, we’re not going to listen to you.” That’s the feeling I got. I also got a sense of frustration on the part of some of the people I spoke with, but they just couldn’t do anything else. That was it. They were repeating the policy, and even the policies were confused.

If I’d won lotto and wanted to sue them for stress, I think I probably could get quite a substantial payout, but the only thing that would do is prolong the stress a lot longer. We just want to be quit of it, just out of it. We’ve had enough of this rubbish. So I guess that says, yes, there has been quite a bit of stress, but we just want to move on with our lives. And that’s what most of these people want to do. I don’t think they’re looking for any revenge settlement or anything like that. They just want to move on with their lives.

***Jill*** We’ve just had to keep faith that eventually it was going to sort itself really. There were times when you felt, “Gosh, maybe we should have taken that payout and moved on.”

***Merv*** It puts your lives on hold in many sort of ways. It’s the uncertainty. If EQC had said, “Yes, that’s fine you’re red zoned and you want the place fixed, we’ve got a heavy workload but in March of next year we’ll get underway on it.” Great!

***Jill***That’s all we needed, really.

***Merv*** But it was totally the opposite: “We’re not going to fix your place. You take the payout,” which we knew was not enough. That’s quite different.

We were white zoned,[[1]](#footnote-1) as most of the hills were, and then EQC came out about three or four weeks before we got green zoned and they said, “Well we could do the sewers now, do you want to do that or do you want to wait and see what the outcome is?” So we said we’d wait for the outcome, and the outcome was green, so we said, “Fine, let’s do that.” So they came and cleared it, but they didn’t get around to doing all the other assessments properly.

To sum up EQC: they’re an unprofessional outfit that shouldn’t be in the insurance business. Quote that. That is our experience with them. They would not be getting a single customer if they carried on like that. They never bothered, they were not prepared to come out, they never looked at it, and to my mind that was a major error, a major issue with the way in which their policy was put together. I don’t believe they had any legal reason for doing that apart from bloody-mindedness, and then the fact that when they did come out, I think they knew that the assessment was on the low side.

They were trying to send us cheques, they sent us cheques and I sent them back, and I said “No, I don’t want your money,” I said, “I want you to fix the place,” and they said, “Is there a dispute about how much it’s going to cost to fix?” and I said, “No,” I said, “I don’t want to make money out of it, I’m not interested in getting a cheque and then saving money and putting some money in the bank.” I said, “I want the house fixed and the easiest way to get the correct settlement is that you come out and fix it.” That’s when you’re going to know what it costs.

**EQC vs Southern Response**

***Merv*** The same company that gave a quote to EQC about the sewer gave a quote to Southern Response, and it’s taken Southern Response less than a week to get action because they saw the urgency of it.

***Jill***  They came out the very next day to look in our laundry.

***Merv*** Their contractor came out, had a good look at it, and at 2 pm they arrived with a gang of people, cut everything out to try and sort out where the water is, took the wall lining off, and they now just get the final calculation and assessment and they’ll get that fixed. That’s their urgent side of things.

***Jill*** We always said we didn’t mind waiting as long as we knew it was going to be done.

***Merv*** Southern Response is doing the urgent repairs on the sewer and the water, and they said unfortunately with their backlog it could take 10 to 12 months before they can actually do all the repairs. Great! That’s fine. We know it’s going to be done. And the assessment was inside two or three weeks of when they actually got hold of the whole lot.

 I rang up and said, “I think you guys are brilliant. I don’t know what all the bad publicity is about!” I said, “I’m really thrilled about the way you guys are approaching it,” and she said, “We’ve had a bit of a tough time in the last few months and we’ve sat down and worked through what we actually have to do and how we’ve got to do it and improved matters.” I thought they deserved to hear something like that if they’re doing a good job.

Now we’ve got Southern Response we know what needs to happen, and the assessments and everything have been coming along nicely. The fact that they looked at the drainage repair and someone came out. They had separate independent advice and the guy came out and said, “The place is stuffed. It needs total replacement.” So I thought, “Oh that’s good, that’s another viewpoint, clear-cut.” He said, “That’s what I’m recommending to them.”

So we’ve still got to get the place repaired, but we’re feeling a heck of a lot better about it now. I’m pleased that I didn’t have to take EQC to court about getting repairs carried out under a red zone situation. It should never have happened, because they should have agreed that it was over cap in the first place and we would have our repairs completed by now. The insurance companies don’t seem to mind. They just say, we’re told that we’ve got to fix that and they’ll come out and do it. Maybe not all insurance companies. I’ve been hearing that some of them are playing hardball.

***Jill*** We could still end up having issues. We don’t know that it’s going to all be plain sailing, but we’re hopeful at the moment because the initial approach has been good.

***Merv*** The big thing is that we are no longer talking about a cash settlement of an unknown repair. They’ve actually agreed that, yes, we’ll repair your place. We’ve got a contract with the insurance companies to get us reinstated to where we were.

**Rock-fall risk mitigation**

***Merv*** The next part was, we got the geologist and asked, “Well, where’s these rocks that we’ve got to remove?” And the answer was, it’s a virtual model, we have got no specific rocks that are going to fall down on you, it’s just a virtual model of the hillside. So in other words, there were no rocks that were actually ...

***Jill*** That were actually physically identified as being an issue.

***Merv*** So CERA said, “You go and get a geotech engineer to do your own survey,” which we did. After that CERA actually worked quite well with the geotech engineers, but it was a decision that was made without any justification. They couldn’t actually say, “Yes, this is what’s actually causing the problem and if you fix this you’ll be right.” It was basically, “Go and sort it out yourself and then come and convince us.” So we had to go and make sure we did that. The Council had to spend money, and at no stage did we know whether we’d done enough to turn green. The burden of proof was on us, with no guarantee of success if we spent the money. It wasn’t so much a leap of faith. We just had to do it because we’re going to stay here and maybe there might be some rocks that are going to come down and kill us.

 So with CERA, in terms of what they actually had to do and the way they did it, we were kept in the loop and informed, we had people we could ring up at any time and talk to at a senior level – second- or third-tier management. So that was OK.

***Jill*** The thing is, if the City Council had dealt with all this rock fall up there they would have saved lots of houses and not cost them a whole lot more than the part they’ve done for us.

***Merv*** It probably would have cost the Council about a million dollars to do the whole lot, instead of the quarter million just for us, and that would have saved the red zone payouts, or the 50 percent the Council has to pay for all these houses there and several along the valley. So the Council would have saved themselves $5 million to $6 million just for that $1 million. But that was a Council decision. All the talk was about Sumner and rock bunds and having to maintain fencing and all the rest of it, but here it was straight removal of rocks and that was it − no further maintenance. It was done.

We just went ahead and decided we weren’t going to wait, and we just did it ourselves because we knew pretty much what the Council was going to pay. They were excellent on that side, because they did actually pay up front. They said here’s your money and they worked with us. We just wanted to get the rocks removed, get it sorted out, and if we’d stayed red that wouldn’t have worried us.

The City Council were pretty good and helpful. They’re here for the long term. EQC just wanted to tick the box and say, “You’ve got your settlement payout.” I’ll bet you we’re one of the ones that they said they settled because they sent us out the cheques, which we sent back, and I bet you they ticked that, yes, that’s been settled.

**Red zoned to green zoned**

***Merv***  CERA called to say, “Green zone!” We were expecting it. It was just the sort of final relief. That was very good from CERA because they made a point of ringing us as soon as they found out, and that was probably about a week or two weeks before we actually got the letter, and they said we’ve just been advised by the Ministers that you’re being green zoned. So I found the CERA people have been very good in that respect. They’ve been working with us.

***Jill*** I wouldn’t have battled it on my own. Because Merv’s been retired for the last couple of years he can deal with it.

***Merv*** I remember Ruth Dyson [Labour MP for Port Hills] saying when we had meetings – she’s been excellent – she said, “I don’t know if CERA realise how much they’ve bitten off by taking on the Port Hills people. They’re more gutsy, more into it, most of them own their own houses, they’re a bit more wealthy and they’re probably better educated.” And she said that CERA is not going to find it as easy as the flatland and Bexley, where people basically didn’t have any choice, take it or leave it, like it or lump. I think she was right about that.

**Rating valuation**

**Merv** After the red zoning our rating valuation went down. It hasn’t gone up since we were green zoned. We spoke to QV and we explained to them, sent the documents of the reports on the rock removal to show that it had all been reduced. We also sent them the information about the Transitional Plan. But despite all that, QV decided to rate it as if it was a red zone.

So in the meantime we’re paying about $400 a year in rates instead of about $4,000 plus. They said if we wanted to sell then they would come and do a revaluation for us, but we would have to pay for that revaluation and it could mean that our rates go up. They said, “We can do that, otherwise you wait until 2016.”

It does seem to be a strange way to operate, particularly when they knew there were matters underway, and I was led to believe in discussions with QV that that would come into effect once we were actually green zoned and we could go back and all the rest of it. But no, nothing like that.

**What Merv and Jill have learned**

***Merv*** EQC need to have a process in place to be able to re-look at situations like ours. They did not have that. They might claim they have, but from where I sit they never had anything like that. They should have been able to send someone out to reassess us, to have a look at specific circumstances.

There were probably a few hundred properties in the hills here, not all of which would have actually wanted to appeal or would have had any grounds. But when you’ve got grounds, where you’re moving towards green zoning, and where the justification in place for dealing with red zoners in a particular place falls over on every facet, it’s bloody-mindedness. And I spoke to them about it and they said, “Well the Act allows us to do that,” and I said, “I’m no longer talking about your Act.” I said, “I think if you got challenged under the Human Rights Act you might find yourselves in trouble.”

But to me it goes beyond them. They were just acting like a bullying organisation, and I come back to the fact that the people we’re dealing with were the apologists. EQC just put the call centre in front as cannon fodder, because they’re too gutless to stand up front themselves for their own decisions. They make all sorts of other excuses. I’ve worked at a senior level in the City Council and I’ve seen that argument used, but I’ve also seen managers stand up and say, “That’s not an argument we can use at the City Council.”

***Jill***Possibly the insurance companies would have been better handling things instead of dealing with EQC.

***Merv*** Insurance companies have got case managers who actually pick up the whole case, and they’ve got some authority to be able to sit down and talk to the senior people and be listened to and say this is a case and this is how it is. And if need be, they can take it to the Chief Executive. But that wasn’t the case here with EQC. There was no escalation capability beyond whoever you rang up and got on the phone.

1. As part of the 2011 land zoning of Greater Christchurch, the ‘white zone’ was applied to properties in the Port Hills which required further assessment in terms of rock fall and land slip risk. [↑](#footnote-ref-1)