

Pre Synod Meetings 2017 - Supplementary Information

Reinstatement of our Cathedral is simple, safe, functional and affordable, as well as legally and morally compelling.

CATHEDRAL WORKING GROUP REPORT – THE SOLUTION

The Cathedral Working group (CWG) report of Nov 2016 is comprehensive and clearly explains how our Cathedral can be reinstated. It anticipates the government forming a trust to manage the physical works and a second trust to take on responsibility for all fundraising. The church only needs to contribute funds that are already earmarked for the building. There will be no debt or financial risk for the church.

Reinstatement recommendations include base isolation, strengthening, heating, and various other respectful modern improvements, including an amended seating plan. Almost all the existing heritage materials would be retained. The report's findings have been widely endorsed.

GOVERNANCE AND RISK

The pre synod information presented by the CPT and Diocese indicates an understanding that the reinstatement project must follow Diocese conservative financial protocols (delaying the start date) and that as owners the Church will be ultimately responsible for costs and consequences in the event that fundraising was to fail and Government support was insufficient to complete the project.

The media release 4/7/2017 and associated Government information package from Nicky Wagner however shows their understanding that the Church would directly nominate two of five persons on the envisaged five person reinstatement project Governance board, that the reinstatement project would start immediately based on a managed staging plan using funds as they are available and that the Church's liability will be strictly capped at the insurance proceeds (\$42M). This approach would seem to be well suited to the Church circumstances.

The difference in these two positions is stark and important and suggests an opportunity for further communication and improved mutual understanding.

While it would be foolhardy for the Government to formally underwrite all the costs (as that would undermine the fundraising opportunities), in their CWG report and subsequent announcements they have made clear public statements of their support for the reinstatement project and further mandate has been provided by unanimous

cross-party political support. The project's national importance and clarity of the Government commitment here is such that no future government could realistically walk away from the project prior to completion.

FINANCIAL

All parties essentially accept the \$104M cost estimate from the CWP report as being fair and having included conservative allowances for unknown contingencies and inflation.

The Diocese and CPT recently announced their new position that project funding should extend by a further \$23M to cover fundraising costs (\$4M), CPT internal costs (\$6M) and a maintenance endowment fund (\$13M). The reasonableness of these CPT figures and the total of \$127M has not been accepted by Government.

The Government announcement of 4/7/2017 acknowledges an expectation for CPT internal cost allowance of \$1M, and a \$5M initial endowment fund while recognising that this figure will need to be confirmed in future when more is known. This future funding would be a part of the government fundraising trust's responsibilities. The Government announcement does not make obvious mention of the \$4M fundraising costs. If these are included in full then the implied Government budget figure becomes \$114M. Accordingly, with \$90M funding confirmed the government implied fundraising target is reduced from \$55M (per CWP report) to \$24M.

There remains a clear difference between the Diocese and Government financial assessments. These differences would become of little importance if the Diocese accept the government proposal for governance and risk.

FUNDRAISING CONFIDENCE

In the government position on governance and risk is accepted then the Diocese need not be concerned about anticipated how easy the fundraising may be, however some discussion is appropriate as per below.

The CPT video presentation of the CWG report (by AskRight NZ) fundraising conclusions are fair. Julia Johnson (OKP Australia) states that the AskRight report does not provide sufficient evidence to support the conclusions and further that 'OKP would need to interview donors' in order to support such conclusions.

The AskRight report (together with details therein disclosed by Julia's report which should have properly remained confidential) shows that AskRight carried out extensive

investigations and interviews including with potential donors in preparing their report. The OKP conclusion seems only to be saying that OKP would have to repeat AskRight's investigative work in order to confirm their findings, or presumably need AskRight to further breach the confidentiality of the interviewees. Julia is unconvincing as to her familiarity with local circumstances and the huge importance of this reinstatement project in New Zealand.

Julia (and the Diocese) have also cast doubts as to the surety of the GCBT pledged funds. Undoubtedly everyone will form their own opinion on the surety of these funds being provided based on assessment of Jim and Philip's credibility and honesty from their longstanding public service careers and the governments expressed confidence in this funding.

LEGAL CONTEXT

The broad outline of legal consent processes presented in the pre synod video statement are correct. Two written legal opinions are available for your consideration (see references below) and to compare with Richard Fowler's video statement.

The pivotal point in the RMA consent from the list of limited discretionary matters for consideration would be whether the costs for reinstatement are unreasonable. This requires interpretation of reasonableness of the presently differing versions of the cost gap as well as the prospects for fundraising. It is difficult to envisage the courts taking a sympathetic view to the difficulties of fundraising when there has been no genuine fundraising endeavour to date.

Duncan Cotterill's written legal opinion 26/6/2017 (prior to the 'new' \$25M funding announced 4/7/2017) concludes that the likelihood of RMA consent for demolition is low and more-over that the CPT could be found to be acting unreasonably in spending funds seeking such a difficult and unlikely legal outcome. The subsequent \$25M announcement greatly strengthens this conclusion.

In relation to the Heritage Authority consent, there are differing views of the relevance of the affected party interests of the Diocese' own situation. In Aug 2015 Chen Palmer's written legal opinion places no importance on the affects on the Diocese and they argue that it would be unlawful for Heritage NZ to issue a demolition consent in the then existing circumstances.

The Government have not commented on the likelihood of consent for demolition for a new build eventually being obtainable as it is a matter for the courts, however they

have expressed serious concerns about the inevitable delay in pursuit of such consent. The Government have the ultimate power to take control of reinstatement work on their own terms. Since the release of the CWG report several public commentators have expressed the opinion that it is now time for such action. Should synod decide to commence the legal processes to determine whether they can obtain consents for demolition (which all parties agree will be a lengthy and expensive process), the pressures for government intervention will increase considerably.

CHURCH AND COMMUNITY

If the Church accept the government offer and recommendation to reinstate, it will be embracing a community passion. This will continue the supportive, mutually respectful relationship between the community and the Anglican Church that has existed since Christchurch began. If demolition is pursued, the church would be divorcing itself from its wider community support and would severely damage that community relationship.

We trust the synod will make a wise decision about the Church's future role in the story of Christchurch and our Cathedral.

FURTHER CONTACT DETAILS

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We and our committee are available for discussion and questions.

Links to more detailed information, committee contacts, reports, legal opinion, related websites and video content are listed on our website.

www.restorechristchurchcathedral.co.nz refer to links tab, Pre-Synod Meeting Information document)

This information was prepared by Tim Preston on 6/7/2017
from my own research and with support from RCC