

New Zealand: Three years after the Christchurch earthquake

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On February 22, 2011, Christchurch—a city of over 300,000—was devastated by an earthquake that killed 185 people. The disaster, on top of a previous quake in September 2010, destroyed or severely damaged thousands of buildings and houses.

No one has been held responsible for the collapse of the CTV building, which killed 115 people, despite a Royal Commission finding in 2012 that the building had serious structural defects since its design and construction in 1986. The building was “green-stickered” as safe by council inspectors after the 2010 quake, but both the council and the government have washed their hands of the matter.

The National Party government ran its November 2011 election campaign on the slogan “Rebuild Christchurch.” Last year—following two years of virtual inertia—Earthquake Recovery Minister Gerry Brownlee promised that 2013 would be the “year of the rebuild.”

Three years after the disaster, however, there has been an extraordinary lack of progress. In December, the Canterbury Chamber of Commerce estimated that less than 10 percent of the rebuild had been completed. Despite an influx of construction workers, the chamber said the city still faced a “massive skills crisis.”

An estimated 16,000 homes were lost in the quakes, including 8,000 in the “red zone” suburbs, where land has been deemed not suitable for rebuilding. Homeowners in the red zone, which includes the working class eastern suburbs, have been forced to accept government buyouts based on 2007 official valuations. These are typically well below the cost of a new house, and many families have been thrown into debt as a result. Last year, house prices across the city increased 12 percent, following an increase of almost 10 percent the year before.

Elsewhere, the government has left homeowners at

the mercy of insurance companies and endless delays to payouts. Insurance Council figures released last week show that insurers have settled only 9,110 out of 21,962 (41.5 percent) of claims for rebuilds and repairs worth over \$100,000. By the end of last year, insurers had completed only 750 repair jobs on these houses.

Hundreds of homeowners have attended public meetings and rallies to protest the delays. Most recently, 330 customers of Southern Response gathered on February 11 to discuss their grievances. Southern Response is a government-owned company created to manage the claims of failed insurer AMI, which collapsed after the earthquake and was bailed out with at least \$254 million in public money.

Peter Glasson from the group Southern No Response, which organised the meeting, told the *Press* he “believed insurers were purposely delaying claims in the hope homeowners would give up and accept low offers for their quake-damaged properties.”

As a result of the delays, and the government’s refusal to provide any assistance, thousands of people are still living in damaged homes, in overcrowded conditions, and in makeshift accommodation such as tents and garages. A government report last March found that as many as 7,405 people were in “insecure housing” or homeless, up from 3,750 before the earthquakes.

Rents since the earthquakes have soared by about 35 percent, more in some neighbourhoods. Charities like the City Mission are reportedly unable to cope with the numbers of people seeking emergency accommodation.

The response of the authorities has been to treat homeless people as criminals. Last month Sergeant Greg Hume told the *Press* that police had made a “high number of arrests” for squatting in vacant buildings. Reflecting the undisguised class hostility of the wealthy

elite to impoverished squatters in the city centre, he declared: “We’re getting a nice new city, and these hood rats seem intent on downgrading the area.”

While the government has trumpeted the jobs growth and economic upturn in Christchurch, this is entirely temporary. Approximately one in eight jobs in the city are in the construction sector. Meanwhile, as throughout the country, Christchurch businesses are continuing to shed jobs—including 200 redundancies at Independent Fisheries and 74 at Tait Communications last year, and 40 last month at heavy machinery company Gough Group.

Government funding cuts have led to hundreds of sackings at Canterbury University, while hundreds of teachers and support staff will lose their jobs in school closures and mergers. The government’s \$15 billion contribution to the city’s rebuild is being funded by cuts to essential services throughout the country, including health and education.

The Christchurch City Council is likely to end up at least \$2 billion in debt after funding its rebuild obligations, negotiated with the government. This will be paid for by cutting staff and reducing services, such as opening hours for libraries and sport and recreation facilities. The council will also consider selling shares in some of its commercial assets.

In a “state of the city” speech on Monday, the new mayor Lianne Dalziel, a former Labour Party MP and cabinet minister, declared that the previous city administration had “created expectations of levels of service that we cannot deliver” and its spending commitments were “irresponsible.”

Dalziel’s landslide mayoral election victory last October reflected the widespread discontent with the National Party government’s inaction and its contempt for the plight of ordinary people. On Monday, however, she declared her support for a “collaborative partnership” with the National government, and stressed that “the people of Christchurch ... will inherit the ongoing cost associated with the debt to pay for” central city projects.

Dalziel’s pledge to collaborate with the government on cost-cutting, job cuts and privatisations points to the role the Labour Party will play if it wins the national election later this year.

Labour’s main earthquake policy is to fund private developers to build 10,000 houses over four years.

Labour claims the houses would be “affordable” and built for less than \$300,000, but states they will not be sold at a loss. This would protect the profits of the developers, but do nothing to help Christchurch’s poor.

Labour and the Greens agree with the government that ordinary working people, not the corporate elite, must pay for the earthquake damage. Both opposition parties, as well as the education unions, endorsed the closure of schools in Christchurch. The Greens have previously proposed a temporary income tax hike on workers to fund the rebuild.



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