

# New Zealand: No end in sight for Christchurch earthquake rebuild

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Last month marked seven years since the 2011 earthquake which devastated the city of Christchurch and the surrounding Canterbury region. Over 150,000 homes and buildings were destroyed or damaged and 185 people killed. Entire suburbs in the city's east were demolished.

The working class has not recovered from the disaster. Hundreds of infrastructure projects are yet to be started and will likely take decades to complete. Hundreds, if not thousands of people still live in damaged and unsafe houses, caught in an interminable battle with insurance companies and government agencies. The working class is suffering from soaring housing costs and underfunded services such as healthcare.

No one has been charged over the collapse of the poorly-designed CTV building, which killed 115 people, despite warnings that it was unsafe. Labour Party Prime Minister Jacinda Ardern met with the families on February 15 and declared that the government could not intervene to reverse a decision by police not to prosecute those responsible for the shoddy construction. The families have vowed to continue fighting for justice.

During her visit to Christchurch, Ardern was confronted by about 100 protesters, angry over the conduct of the state-owned Earthquake Commission (EQC), the government-owned insurer Southern Response, and private companies such as IAG and Tower. One protester demanded legislation so that insurance companies “can’t drag their feet [and] push us to the brink of bloody financial collapse.” Another protest on February 21 drew about 1,000 people.

The EQC is responsible for repairs costing below \$100,000, while larger claims have been passed on to insurance companies. A total of 2,600 EQC claims and

2,500 private claims remain unsettled.

On February 15 Ardern told protesters: “The fact that there are thousands of these cases is just not good enough.” However, the Labour-led government, which replaced the previous National Party government in October 2017, has done nothing for distressed home owners other than promise a new “arbitration panel” for insurance disputes and an “inquiry” into the EQC.

Roughly half the outstanding EQC claims are for houses that have already had work done, but remain damaged. In 2015, an inspection by the Ministry of Business, Innovation and Employment found that in 32 out of 90 houses, foundation repairs did not comply with the building code.

Almost 68,000 homes were repaired by EQC’s contractor Fletcher Construction, one of the largest companies in New Zealand. It is not known how many repairs do not meet the code.

Fletcher has played a major role in government building projects since the 1930s and 1940s when the first Labour government contracted it to build state houses and then placed it in charge of wartime defence construction.

Home owners have told the media they were bullied by EQC and Fletcher to force them to accept cheap and superficial repair work. In several cases, inspectors allegedly conducted only cursory examinations of earthquake damage. EQC is currently challenging 316 claims in court.

Katherine Adair, who was pregnant when the earthquake happened, still lives in a damaged house. Her home was repaired three times, each time below standard. She told Radio NZ on March 6 that EQC and Fletcher had “threatened to cash settle us if we didn’t agree with what they were doing.” She said the house is “a health and safety risk for our children.”

Southern Response allegedly used similar tactics. Newshub reported on March 7 that the state-owned insurer paid \$180,000 to private investigators Thompson and Clark to spy on “potentially hundreds” of claimants who were deemed “threats.” On advice from its detectives, Southern Response urged police to interview Cam Preston, an accountant who had protested over the corporation’s delays.

The National Party said this month that EQC should sue Fletcher if there is evidence of widespread shoddy repairs. The National government never instructed EQC to take such action while in office. Radio NZ reported on March 6 that Fletcher’s contract with EQC, which was leaked to the media outlet, contains an extraordinary “indemnity clause” that essentially shields the company from any liability for claims made against it.

Roads remain in poor condition. Last month Christchurch City Council revealed there are 400 major outstanding transport projects, including roads and footpaths, which will take 10 years to complete.

A worker at a major infrastructure company told the WWS the layout of the city centre was “badly designed,” with not enough room for traffic. “I’m surprised there haven’t been any major accidents down there, to tell you the truth,” he said.

Many of his co-workers were on temporary contracts with starting wages between \$17 and \$19 an hour, not much more than the \$15.75 minimum wage. The worker described rents in the city as “scandalous” and said he knew a fulltime worker forced to share a house with nine others. Such overcrowding is common. Council rates have “gone through the roof,” he said, increasing by an average of 6.7 percent per year for seven years, contributing to soaring rents.

The worker also denounced the “raw deal” given to families of CTV building victims: “Nobody’s been held accountable for it. How did the council get away with no one being taken to court? They signed off on [the building].”

The city’s health system is in crisis due to years of nationwide austerity measures, imposed by National and Labour, in response to the 2008 financial crisis and the earthquakes. Christchurch Hospital expects its emergency department (ED) will deal with 56,000 patients this year, up 1,100 compared with 2017.

A paramedic told Fairfax Media on March 9 the ED

was already “overloaded with patients five to six times a week, forcing patients to wait on trolleys in the corridor.” The hospital’s neonatal intensive care unit operated near or over capacity throughout 2017 and the mental health unit at Hillmorton Hospital was overflowing in December.

So far, the government has only announced funding of just \$28 million for child and youth mental health services. Demand for these services has increased 93 percent in quake-affected areas.

The Labour Party’s election promise to “fast-track” the rebuild cannot be trusted. The government has refused to raise taxes on the rich and pledged to keep spending at the same level as the National government. Christchurch City Council Mayor Lianne Dalziel, a former Labour Party minister, worked hand-in-hand with National to make the working class pay for the rebuild through increased rates and service cuts. To help service the city’s debt, which is expected to reach \$2.7 billion by 2025, from \$680 million in 2013, Dalziel has suggested a fuel levy and the partial sale of council assets such as the airport, port, broadband network and electricity.

The rebuild debacle is an indictment of the capitalist system and all the political parties that defend it. Everything has been geared towards protecting the profits of insurance companies and construction firms at the expense of the working class.



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