



## Summary of our report

# Governance and accountability for three Christchurch rebuild projects



The Canterbury earthquakes in 2010 and 2011 destroyed large parts of Christchurch and the Canterbury region. Since then, central and local government have been leading a programme of recovery that includes many projects to rebuild essential facilities and infrastructure.

Effective governance arrangements are essential to provide direction and oversight that help these projects deliver the right facilities for Cantabrians for the right cost and at the right time. Clear accountabilities are also needed so that people know what the projects' intended outcomes are and whether these outcomes are being achieved.

We looked at the governance arrangements for three projects: the Bus Interchange, the New Central Library, and the Acute Services Building at Christchurch Hospital. We chose these projects because they are being led by different entities, are of different sizes, are at different stages, and face different challenges. They also have different governance arrangements.

### Bus Interchange

The Canterbury Earthquake Recovery Authority led the Bus Interchange project. The governance arrangements for this project were well thought out, with clear roles for each part of the governance structure. People understood these roles. The main governance group included people who were able to provide independence, leadership, and direction. The Bus Interchange has been completed successfully on time and within budget. As with all projects, there were some challenges along the way. However, the governance structure meant that these could be addressed effectively and efficiently.

### New Central Library

Christchurch City Council (the Council) is responsible for the New Central Library project. When we first looked at this project in December 2014, its governance arrangements were not adequate. The arrangements were not well defined, and there was no clear separation of governance and management. Although the project was progressing, significant funding and affordability risks were apparent.

In April 2015, we told the Council what we had found. Since then, the Council has made substantive changes to its governance arrangements for the project. In October 2015, we visited the Council again to see whether the changes had made a difference. We found more clarity about project governance (including a separation of governance and management), more independence in the governance structure, and improved reporting. We also found stronger leadership in addressing the project's main risks. The new arrangements put the Council in a much better position to lead the project to its successful completion.

## Acute Services Building

The Acute Services Building is using a new governance model for health projects. Under this model, the Ministry of Health (the Ministry) is responsible for managing the project and a new independent group, the Hospital Redevelopment Partnership Group (the HRPG), provides governance. The new arrangements were introduced quickly, without enough planning for how they would work in practice. As a result, accountabilities, roles, and responsibilities are not clear to everyone involved. In particular, the role of Canterbury District Health Board, which would have been responsible for governance and management under the previous model, was not thought through.

Without clarity, people have not always agreed who does what. Tensions, which were already high, have increased. At times, these tensions have created an environment that is neither productive nor pleasant. When this happens, the HRPG has had to spend its time resolving conflict rather than focusing on the best outcomes for the project.

Despite these difficulties, the HRPG has provided strong leadership. The HRPG has managed to keep the project moving forward with the support of both the Ministry and Canterbury District Health Board. The Government has agreed to use this new governance model for other major health projects. The Ministry needs to ensure that lessons are learned from its experience in Canterbury and are applied to other projects.

## Overall lessons

Our report also identifies some features that contribute to effective and efficient governance.

### *Clear accountabilities*

Being clear about who is accountable for project outcomes supports effective governance. Although some accountabilities were clear, all three projects we looked at would benefit from producing a clearer accountability framework that includes specific and general accountabilities that apply to the project at all levels.

### *Clear roles and responsibilities*

Governance was most effective when there was a clear structure and when accountabilities, roles, and responsibilities were well defined and understood. When these were clear, it was easier for people to separate governance and management.

### *Strong leadership*

Strong leadership was an important part of effective governance. This came from ensuring that people in a governance role had the right skills and attributes. Independent members of governance groups brought their skills to the projects. People who were independent also brought different perspectives, away from vested interests that were sometimes holding projects back from the best possible outcome.

During the next few years, there will be many more rebuild projects in Christchurch. All of these will need effective governance to ensure that they are delivered successfully. The lessons learned from the three projects we looked at can help to improve governance so that the people of Christchurch get the city they need and the Canterbury region can recover.

### Vital statistics:

- 40 pages
- Presented to Parliament on Tuesday 8 December 2015
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