Lessons Learnt from San Francisco

Business delegates in front of San Francisco City Hall: Steve Abley FIPENZ (Abley Transportation Consultants Ltd), Graham Dockrill (Hairy Lemon), Tim Howe (Ocean Partners), Pier Smulders (Mainland Press), IPENZ Companion Glen Hughes (Opus International Consultants Ltd) and Bob Fulton (Fulton Hogan).

Steve Abley FIPENZ reports on his trip to San Francisco as part of a delegation of Christchurch City councillors and business leaders.

I was very fortunate to join a delegation of five councillors and seven business leaders to San Francisco. We were there to learn from the city's experiences in overcoming a natural disaster. A TVNZ film crew accompanied us and you may have seen the reports on One News.

The San Francisco area is familiar with disasters, having been hit by large earthquakes several times in the last two centuries. The most famous event was the San Francisco earthquake of 1906 and the resulting fire which levelled the city. There is a 62 per cent chance of a magnitude 6.7 or greater earthquake striking before 2032. This is the reality of living in a seismically active area, one people in New Zealand are all too familiar with.

The professionalism of the disaster planning and recovery teams we met was outstanding. We returned with five key lessons. The first is to **build back better**, meaning not just replacing "like with like" but taking the opportunity for improvement. This includes seismic strengthening and streetscape enhancement along with bridging any political divides that may have existed pre-quake.

Collaboration. After the 1989 Loma Prieta earthquake, Santa Cruz created a new governance structure. The "gang of 36", as it was known, consisted of mixed council and business representation. Interestingly, its decisions were unanimous and were therefore endorsed by the formal council.

The gang's meetings were televised, improving communication and instilling public confidence, exemplifying **transparency and permissiveness**. At an early stage the gang made clear its vision for the city's redevelopment, enabling property owners and developers to "get on with it" quickly within the planning frameworks.

Involving business will bolster confidence and supply the rebuild with capital. A large proportion of the rebuild has to be funded by the private sector. As such, the private sector must be included in decision-making at an early stage. New Orleans is an example of what not to do. It is 25 per cent smaller than it was the day before Hurricane Katrina hit, partly due to the lack of clarity and uncertainty during the critical first year. Investors sought lower risk alternatives for capital investment and took their money, energy and talent elsewhere.

Earthquake insurance is vital. With large premiums and excesses of around 15 per cent of insured value, many San Francisco residents do not have earthquake cover. When the next major event hits, insurance inflows will be less than 20 per cent of total damage, and the balance will have to consist of funding from central and local government and the private sector. Christchurch, in contrast, at least has a significant proportion of rebuild capital that can be sourced offshore through reinsurance funds (however, it is burdened with the initial administration of insurance claims, assessors and approvals).

My overall feeling is that Christchurch has the potential to be great once again, even greater than it was prior to the February earthquake. This can only happen, however, if we learn from cities like San Francisco. It is especially important business takes a lead in recovery. Business is the source of employment and livelihood, an investor of intellectual capital, innovation and funding – it is not just another stakeholder to be consulted with in meetings. //