

# By email: Finance.Expenditure@parliament.govt.nz

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18 June 2024

Pāremata Aotearoa New Zealand Parliament Finance and Expenditure Committee

Tēnā koe,

## **Government Inquiry into climate adaptation**

Thank you for the opportunity to submit on the Government's Inquiry into climate adaptation.

We would like to speak to our submission.

Greater Wellington Regional Council supports the work of the Government to develop a legislative framework for climate adaptation, which we agree is needed to address the significant challenge of reducing New Zealand's vulnerability and exposure to the impacts of climate change.

### **Greater Wellington Region Context**

Greater Wellington acknowledges the Government's co-investment via the Budget 2024 in flood resilience projects that protect lives, homes, schools and other vital infrastructure from flooding, our number one hazard in terms of annual costs and damages. We look forward to a similar approach being taken with the other natural hazards being exacerbated by climate change and sea level rise such as coastal flooding and erosion that is impacting many low-lying coastal communities around our region and welcome the development of this framework.

In early June 2024, we completed two years of work with our territorial authority partners in the Wellington Region and produced the first Wellington Region Climate Change Impact

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Assessment<sup>1</sup> (WRCCIA) under the governance of the Wellington Regional Leadership Committee<sup>2</sup>.

The WRCCIA looked across the five value domains<sup>3</sup> aligned with the National Climate Change Risk Assessment<sup>4</sup>, representing a holistic understanding of what climate change means for the Region.

It will be used to:

- 1. Inform adaptation planning across scales and sectors
- 2. Provide a regionally consistent evidence base for climate impacts across the region
- 3. Promote smarter decision-making
- 4. Ultimately reduce natural hazard risks and identify opportunities
- 5. Inform regional spatial planning, land use and development especially housing, infrastructure, and industry via the Future Development Strategy and other plans.

Overall, the WRCCIA will help to:

- 1. Highlight areas or sectors of the Region particularly vulnerable or resilient to a changing climate
- 2. Pull together disparate information and identify data gaps and requirements for adaptation planning going forward
- 3. Foster greater collaboration between local governments and build capability within councils
- 4. Underscore the criticality of supporting and enabling mana whenua participation
- 5. Realise the importance of having a robust spatial and temporal understanding of climate risks that can work across scales
- 6. Examine the interconnected nature of climate impacts and emphasise the need for a holistic and integrated approach to adaptation
- 7. Drive forward adaptation planning work across the region

The next stage of the project is to consider the best approach to regional adaptation planning for the Wellington Region, augmenting local adaptation planning where there is value to do so. We will continue to collaborate with government officials to deliver on our shared objectives.

<sup>&</sup>lt;sup>1</sup> https://wrlc.org.nz/wp-content/uploads/2024/06/WRCCIA-Final-Report-Public.pdf

<sup>&</sup>lt;sup>2</sup> Wellington Regional Leadership Committee (wrlc.org.nz)

<sup>&</sup>lt;sup>3</sup> The five value domains are governance, the natural environment, the economy, human wellbeing and the build environment

<sup>&</sup>lt;sup>4</sup> National climate change risk assessment for New Zealand - Main report | Ministry for the Environment



#### **Government Inquiry**

We support the submissions of <u>Te Uru Kahika</u>, <u>Aotearoa Climate Adaptation Network</u>, <u>Wellington City Council</u> and <u>Te Rūnanga o Toa Rangatira</u> made to the previous Government's Environment Committee in 2023. We also endorse the advice of the Expert Working Group on Managed Retreat<sup>5</sup>, and the submission of Taituarā to this inquiry.

#### Inquiry's questions

- 1. What would be a durable, affordable, and fair approach to adaptation for the existing built environment (i.e., where people live and work) in the future? How could that approach be phased in over time?
  - 1.1. The WRCCIA identified 363 risks across the Region and considering all five value domains. Whilst the built environment is the most exposed and vulnerable value domain, the natural environment is also significantly affected. We recommend that the framework encompasses all of the value domains as identified in the National Climate Change Risk Assessment. The interrelated nature of the risks in each domain makes it extremely challenging to consider adaptation planning of the built environment in isolation.
  - 1.2. In terms of phasing, the Government could start with assisting councils and utility/lifelines providers to consider the future resilience of their infrastructure. Understanding this is an essential piece of information needed when making decisions on where best to build new infrastructure, when to invest in upgrades, and how to equitably fund this over the long-term. This economic and infrastructure planning is vital when engaging with communities as it is ultimately all of us that will have to pay of it.
  - 1.3. Clarity around institutional roles and responsibilities needs to be agreed for an enduring response. Wellington City Council's submission to the previous inquiry has suggestions to this effect in response to question 13, which asks about stages and scales for performing risk assessments. We agree with Wellington City Council's interpretation. We have learned that a high level of collaboration is required to build a consistent approach to undertaking climate change risk assessments, and it may be that innovative institutional arrangements that bring together the multitude of actors is required.
  - 1.4. The inherent uncertainty of climate change also means that standard local government planning approaches will be challenged. Regional and district plans

<sup>&</sup>lt;sup>5</sup> Report of the Expert Working Group on Managed Retreat: | Ministry for the Environment



operate on a minimum 10-year planning cycle and involve extensive community and stakeholder engagement. There needs to be a more responsive decision-making process that is able to more efficiently accommodate new information and changing risk profiles, as promoted in the government's coastal hazards and climate change guidance published earlier this year.

- 1.5. We urge the Government to develop the Climate Change Adaptation Act to provide a permanent framework to create long-term surety to councils undertaking climate adaptation planning. Without clarity around roles and responsibilities, funding and financing (of both the community engagement and the implementation of such plans), many councils are holding back from climate adaptation planning.
- 1.6. We note that paragraph 17 of the Cabinet Paper<sup>6</sup> suggests that managed retreat is a 'no other tenable options' approach to adaptation. We would disagree with this premise and encourage the Committee to be policy neutral when it comes to the adaptation options as per the 'Protect, Accommodate, Retreat, Avoid' framework. In certain circumstances it may be that managed retreat is the most effective and efficient way to reduce the impact of climate hazards.
- 1.7. We strongly agree with the need to connect with the other work programmes of government as listed in paragraph 32 of the Cabinet Paper. Tight collaboration is needed between the various arms of government to build a consistent 'all-of government' approach. As a regional council, we are regularly confronted with the tension between the need for housing and the need to avoid development in high hazard areas. This work needs to inform the development of the Fast Track Approvals Bill. Under this Bill, the deciding ministers are not obliged to consider whether the project "will support adaptation, resilience, and recovery from natural hazards" when developers apply to be included in Schedule 2. We suggest that the Fast Track Approvals Bill could provide an enabling pathway for projects which are climate resilient and avoid increasing New Zealand's exposure to climate hazards. The Natural Hazards Insurance Act 2023 also has overlap with this work.
- 1.8. Similarly, we agree with paragraph 34 of the Cabinet Paper, that the Government implement the National Policy Statement for Natural Hazard Decision-Making to assist with guiding the implementation of the Government's framework.
- 2. What outcomes should such an approach to adaptation lead to? What are the highest priorities to achieve?

<sup>&</sup>lt;sup>6</sup> <u>CAB-400-and-CAB-minute-redacted-for-publishing.pdf (environment.govt.nz)</u>, 10 May 2024



- 2.1. Of high importance is the need to deliver consistency, certainty, stability, credibility and long-term durability<sup>7</sup> in the policy response, in turn ideally delivering certainty of process to property owners.
- 2.2. Many councils are operating in a low- or no-information environment when it comes to understanding the impacts and risks from climate change and climate hazards. This creates enormous uncertainty and is delaying effective long-term planning in many areas. A good outcome would be partnership approaches between central and local government to undertake research to better understand our hazards and risks from climate change across all the value domains.
- 2.3. Understanding is the first step to effective adaptation and resilience planning. It is used to identify high hazard areas that are not suitable for development, moderate hazard areas that can accommodate certain types of development and low hazard areas most suitable for investment. For areas that are already developed, this information can be used to develop mitigation strategies, prioritise investment and undertake adaptation planning with communities considering the full range of medium to long term options.
- 3. What do you think the costs will be? How should these various costs be distributed (eg amongst property owners, widely across New Zealanders, ratepayers, now and in future)? Should this distribution change over time?
  - 3.1. We defer to the advice provided by the Expert Working Group and others on the design of a funding and financing framework.
- 4. What do you think is the critical information that will inform people and help them understand future risks, costs, and impacts?
  - 4.1. Critical information for communities includes climate risk material designed with the receiving audience in mind. We took an 'all-climate hazards' approach to the WRCCIA and agree that the framework should do the same (paragraph 29, Cabinet Paper). While the risk management and adaptation options may differ depending on the climate hazard and element at risk, this material should encompass all hazards and all elements.
  - 4.2. Interactive spatial planning maps which overlay the NIWA climate projections with the 'things people care about' are helpful tools for opening up discussions around climate risk and adaptation planning. Ministry for the Environment has received clear feedback from councils via an Ipsos survey in 2023 expressing the need for assistance

<sup>&</sup>lt;sup>7</sup> Funding Climate Change Adaptation the case for a new policy framework (victoria.ac.nz)



to fund and standardise such tools, provide consistency of methodology and the data underlying them, and how they're expressed in the maps. The scale of the detail is an important function that needs to be agreed, as are the types of audiences, so tools can be customised to need. We understand the Ministry for the Environment's Climate Data Initiative is working on the first iteration of this.

- 4.3. Critical information would include projections of the thresholds where councils are likely to remove or reduce levels of service for critical infrastructure.
- 4.4. Part of the consistency-building across Government's functions should see the integration of standardised climate change risk assessment methods with sections 44B-44D of the Local Government Official Information and Meetings Amendment Bill<sup>8</sup> (2022). The inclusion of climate risk information on land information memoranda provides an opportunity to raise awareness and understanding of our communities and create a 'buyer beware' responsibility.
- 4.5. Public involvement in the development of regional and district spatial plans provides an engagement opportunity to raise awareness of what climate impacts are going to be felt where and how urban planning can reduce exposure and vulnerability to these risks.
- 5. What are the particular issues facing Māori, especially sites, assets, and land vulnerable to climate-driven natural hazards?
  - 5.1. The consultation period for this inquiry has not been long enough for us to consult with our mana whenua partners.
  - 5.2. Greater Wellington has not yet engaged with mana whenua to fully understand the implications of climate change to our partners. We are aware that some of our mana whenua partners are undertaking their own climate change strategies.
  - 5.3. In the interim, the WRCCIA has identified a number of potentially significant risks related to repeated acute flood events and ongoing coastal erosion, and sea-level rise causing damage to things of importance to Māori (indigenous biodiversity, mahinga kai, taonga, tīpuna, marae, urupā, and other cultural assets).
  - 5.4. The impact of pluvial flooding events has been assessed as major, due to the potential for significant loss of taonga, marae, etc. and the impact on quality of life, and holistically impacting the health of those affected.

<sup>&</sup>lt;sup>8</sup> Local Government Official Information and Meetings Amendment Bill 202-2 (2022), Government Bill 8 New sections 44B to 44D inserted – New Zealand Legislation



- 5.5. The impact of inundation of cultural sites due to sea-level rise has the potential to be catastrophic, leading to loss of significant sites or coastal areas. This loss along with other risks such as marine heatwaves may inhibit the ability to undertake cultural practices, development of mātauranga, and maintain connection with significant places. In many ways this would mean a loss of Māori cultural infrastructure where the elements of that infrastructure are not pipes, bridges, etc but are of equal importance in the connectivity of a culture.
- 5.6. We recommend recognition of Māori rights and interests and direct the Committee towards the 2023 Environment Committee submission of Greater Wellington's mana whenua partner, <u>Te Rūnanga o Toa Rangatira</u>.
- 6. What are the problems with New Zealand's approach to managing climate-related natural hazards? What are the underlying drivers of these problems?
  - 6.1. Insufficiently detailed research into risks and impacts from climate change that can be used at a local planning level. This uncertainty means we lack an anticipatory approach to reducing climate risks and are more often reacting to events after they have happened.
  - 6.2. Local government has a high level of apprehension around the potential for litigation by communities whose properties are affected by climate change adaptation planning. This is based on the handful of adaptation processes that have been undertaken in New Zealand.
  - 6.3. We tend to invest in post-disaster action, and we have a growing history of ad hoc arrangements, both of which combine to create a culture of government-dependency and false security expectations for homeowners.
  - 6.4. Societal tendency to rebuild like for like, including insurance arrangements preferencing this, thereby missing the opportunity to adapt during recovery or during periods of asset renewal.
  - 6.5. Few powers to remove or alter existing property rights / lack of social licence to remove or reduce existing property rights.
  - 6.6. Responsibilities for undertaking climate change risk assessments and adaptation planning unclear.
  - 6.7. Locally designed approaches to adaptation planning, such as seen in Kāpiti Coast District<sup>9</sup>, place immense pressure on the local council, out on a limb, having to defend

<sup>&</sup>lt;sup>9</sup> <u>Takutai Kapiti | Have Your Say | Kāpiti Coast (kapiticoast.govt.nz)</u>



their approach while other districts and cities do not take such a proactive position. Greater Wellington has been providing technical support to Kāpiti Coast District Council in the development of their coastal adaptation planning work and endorses their approach. Communities can perceive such an approach as being inconsistent with central government and others, undermining the council's authority to undertake such work.

- 7. What adaptation-related costs are you facing now? How are you planning on addressing these costs?
- 8. What adaptation related risks are you facing now and how are you planning to address these risks?
  - 8.1. Greater Wellington is currently undertaking an Organisational Climate Change Risk Assessment to be able to develop and quantify an adaptation plan. This will be completed later in 2024.

We are available to work through further detail with Government in the development of this framework as needed.

Nāku noa, nā

**Penny Gaylor** Chair Climate Committee

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CC: Greater Wellington Councillors