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Submission to Environment Committee Inquiry into climate adaptation

Thank you for the opportunity to submit on the Committee's inquiry into Climate Adaptation. Our submission covers the points that the Committee has expressed particular interest in receiving comment on.

Overall, our view is that response to climate change is best managed at a local level; but that cost for doing so must be partly funded nationally, from the taxpayer (not fully rate funded). Responding to the climate change issues raised by the Ministry's discussion paper should be underpinned by three core principles: the premise that 'people in communities have choice'; that local councils are supported to shift community centres, services, and housing to less vulnerable places overtime; and that regional councils and central government are more formally required to balance environmental goals with broader wellbeing needs of communities (adjustment to a stronger focus on social impacts for people is needed, at a regional and central level). Government's response to climate adaptation should not be about centralising efforts, but shifting focus and funding so that local councils are able to access more sustainable reserves to support making communities more resilient, in advance of impact or events.

Kāpiti coast district: climate challenges and adaptation

Kāpiti Coast District Council (the Council) has a long history of climate change action, having worked with the community to develop evidence-based coastal adaptation plans since the 1970s. While not recently suffering the magnitude of climate related damage seen in the east Coast and Hawkes Bay, and Auckland/Northland, the Kāpiti Coast has had its share of damaging weather events raising issues of ongoing management and resilience of its communities and supporting infrastructure.

Settlement and development on the Kāpiti coast are predominantly along a narrow 46km coastal margin of dune formations, alluvial flats, and reclaimed peat swamp land. State Highway 1, the North Island main truck railway line, and significant national power and utility services pass through the district. Some of our communities face coastal erosion issues and inundation from rising sea-levels. A constantly high-water table in conjunction with heavy rainfall events that significantly increase flows in our two major rivers and other waterways, periodically challenge the safety of buildings; and the maintenance of access to some district communities, and council infrastructure.

Adaptation to climate change continues to be a 'live' issue for Council and residents of the Kāpiti Coast, with Council declaring a Climate Emergency in 2019 and adopting a Climate Emergency Action Framework in 2021 enabling Council to embed climate action across the organisation and into its public services.

Council is now driving a more thorough response to climate change, with the development of its *Climate Change and Resilience Strategy*, setting goals to rapidly reduce Kapiti's carbon footprint; and to focus on stronger 'recovery' preparation to build community resilience in response to a changing climate and reoccurrence of more frequent severe weather events.

The following comments on the Inquiry's points of interest reflect our community's engagement with these issues.

A. The current approach to community-led retreat and adaptation funding, its strengths, risks and costs

In Council's experience people share that place, identity, and a sense of belonging are closely interconnected. Over decades of engagement about land-use and funding for the impacts of climate change, the community have often sought to protect existing development rather than focus on longer-term plans designed to adapt our communities to our changing environment. For many people, managed retreat is not something they expect to deal with in their lifetime. To expand this point, Quotable NZ shared with Council recently that when they surveyed on buyers' perceptions of climate change effects on property location or value, people shared that climate change was not relevant for a potential purchase decision they would make today; this was a problem for the future. They didn't believe that it had any impact on property market value.

Experience in other jurisdictions, such as Australia, reveal that despite the threat of natural disaster or severe weather events many communities will fight to save their community. In reality, community-led retreat is not the first option on the table for communities; there are a raft of less costly, but impactful solutions that communities say they would prefer to be implemented to buy some time, and reduce the impact from severe weather events. We know this because we have received feedback from our community expressing this desire. Kapiti Coast District Council already have a community engagement process on climate adaptation underway, Takutai Kapiti, which seeks community input on how we best respond to climate change, and adaptation priorities. This engagement was initiated at the request of the community, following litigation from two community advocate groups about proposed changes to our district plan, which would place restrictions on the coastal environment. From this engagement, the wider community have asked that we focus on sand dune planting, and soft or hard engineering options such as improving flood management and building seawalls. Managed retreat is proposed as a last resort, with people preferring to stay in their community through use of protection, new technology, and innovation.

For the Kāpiti Coast, as with most local authorities, the costs associated with some elements of adaptation (such as managed retreat, if preferred or required) would exceed our ability to pay. While consultation documents from central government have repeatedly signalled that central government cannot carry the funding burden alone, the reality is that local governments, residents, and businesses also have limited resources to fund adaptation initiatives. As a result, adaptation is unlikely to happen at the speed required, under the current funding settings. This means that all of the proposed funding actions outlined in the National Adaptation Plan are essential. These include, but are not limited to, actions like:

- completing a case study to explore co-investment for flood protection,
- exploring additional interventions to mobilise investment,
- public investment in climate change initiatives.

More pragmatically, it would be useful to focus more on prevention and innovation to enable communities to live with climate change, and to introduce adaptation reserves for local councils. This could require local councils to collect a modest annual levy which would be matched by government through a portion of annual national taxes. These reserves could build overtime but be available to support new innovation, and preparatory activity to reduce the impact from climate change related events.

Financially incentivising change has two benefits: not only can it help develop funding solutions, but it also signals to communities that they are not alone in tackling these complex adaptation problems.

Further to this, central government agencies should have to build-in a focus on response and recovery into their day-to-day offerings; for example, MBIE could work alongside local councils to support and target business climate resilience programmes. More collective focus on preparation and preventative action, would reduce the response that is required later down the track.

Planning frameworks and processes for councils and communities must be efficient. For example while there are examples of a community-led approaches available (e.g. *Clifton to Tangoio Coastal Hazard Strategy 2120*¹), their very 'completeness' make them very expensive and time-consuming ways to develop strategies that are then difficult to implement because (i) funding is not available, (ii) agreements are difficult to reach on who should pay, and/or (iii) considerations of important long-term adaptation options (e.g. managed retreat in some instances) are often not settled on in a timely way due to uncertainties over affordability and who pays. .

Without alternative, and additional funding options, adaptation measures will simply not be completed in time and central government may instead incur substantial emergency-related costs in the event of a significant crisis. The bottom line is that central government must be realistic about the limitations of local communities to fund their own adaptation measures. National adaptation planning must prioritise a range of actions related to alternative funding options. It is important that central government spending is directed to where it is most needed and can be most effective – focused using local government's intimate knowledge of local infrastructure (the Waka Kotari NZ Transport Agency national/regional transport planning based on local council asset knowledge perhaps an example).

Proactive action versus Reactive response

The approach recently promulgated by government for the East Coast / Hawkes Bay, to build back better, is appropriate to their post-emergency situation. However, preventative adaptation and proactive investment in community and infrastructure resilience must provide a better return on investment, if not simply through avoidance of the economic loss that follows disaster. Although recovery activity can lift GDP (as seen in the aftermath of the Christchurch earthquakes), proactive investment would do no less. This money would be much better spent on up-front adaptation for our communities (see Case Study: Kāpiti District Stormwater below).

¹ <https://www.hbcoast.co.nz/>

Case Study: Kāpiti Coast stormwater

Because local governments and their communities do not have sufficient funds to cover their costs, adaptation measures are often deferred. As an example, in May 2015 the Kāpiti Coast District experienced over 143mm of rain in 24 hours. This event, which impacted over 800 locations in the district, was followed by similar events in November 2016 and February 2018.

Because of the low-lying nature of the Kāpiti Coast District, it is estimated that over a quarter of properties in the urban areas of the district are designated as being flood-prone (for a 1 in 50-year and 1 in 100-year flooding event). To improve our community's safety and resilience to flooding hazards, these rainfall events prompted a review of Council's stormwater programme.

Investigations identified several issues contributing to flooding across the district, including infrastructure issues, waterways maintenance, individual property drainage issues, private stormwater scheme deficiencies, and planning issues. Approximately 240 new capital works projects were identified, along with a reordering of existing projects based on the severity and significance of flooding. Highest priority was given to areas where homes are at risk of flooding above the floor level. The next priority was commercial buildings, followed by garages and sleepouts and finally flood-prone sections. The total cost of the works is estimated to be approximately \$463 million. Council concluded that the only way to deliver such a programme would be to spread it out over a minimum of 37 years. Council and the community are now diligently working to deliver these adaptation measures, although the delivery will take some time and more of these flooding events have occurred since and will again before this work programme is completed.

Without alternative funding options, such adaptation measures will simply not be completed in time and central government may instead incur substantial emergency-related costs in the event of a significant crisis. This money would be much better spent on up-front adaptation for our communities.

It is important that this example is not quickly dismissed with the assumption that the 3 waters reform will resolve this problem. While 3 waters reform might transfer ownership of infrastructure and local communities can be hopeful that it might unlock additional funding to progress adaptation initiatives more quickly, it is not clear that any reform will be able to do this which means that local communities will continue to be at risk.

While Council acknowledges there will be inconsistencies across the country, Council still contends that most public asset owners already understand the risks of climate change as part of their BAU asset life cycle planning. The problem is less about understanding the risks, and more about having the tools to manage the risks, including cascading risks – more priority must be given to clarifying roles and responsibilities and developing incentives, requirements, and funding options, and a supportive legislative environment sooner rather than later.

Vulnerable community facilities

There is also a range of community facilities that provide a significant public good that will be at particular risk from climate change (e.g., surf lifesaving clubs). The asset owners are unlikely to be able to fund substantial mitigation and/or adaptation measures themselves, which could result in the loss of built assets that provide important services for our communities. Consideration should be given to providing funding for community groups to allow them to upgrade these assets to make them more resilient to climate change.

Vulnerable communities

Similarly, owner-occupiers who have limited access to finance may experience difficulty in accessing funding for the necessary adaptations required to make their property resilient to climate change. This vulnerability could be due to work status (e.g. retirees and their finite life-long asset/retirement wealth), existing debt levels, and/or property ownership models that make accessing lending more

difficult (e.g., collective ownership). This will further exacerbate economic inequalities in our communities.

In upholding Māori rights and interests it must be recognised that Māori interests in the whenua do not sit comfortably within our usual administrative areas (ie districts and regions), so immediately the sense and extent of 'community' needs to be sensitively managed.

In looking at loss and retreat from the parcels/areas of land that may specifically belong to a hapū or iwi, they are likely situated on some of the most compromised land to begin with due traditionally living in coastal areas and near rivers. This means they are particularly vulnerable to climate hazards. The social inequity they face also means they are very limited in their ability to pay for adaptation activities. Through any adaptation process there is an opportunity to rectify this and at the same time reinvest whenua important to the hapū/iwi back with them.

Transformational change

Council is particularly supportive of actions that could result in transformational change, creating new ways of operating as Aotearoa New Zealand transitions its economic and financial systems to new ways of working. The financial system is critical in that it can create incentives for adaptation, and opportunities for new funding models.

Conversation in this area has raised the point that banks and insurers should/could invest in resilience measures or support customers to do the same. Efforts to bring developers, banks, and insurance providers together early in the process could generate opportunities for them to undertake proper risk assessments and contribute to resilience measures, which might then reduce the need for central government insurance funding. Council has heard frustrations from local insurance providers that they are often not involved in the discussions (particularly for newer developments) until the developments have been built and sold. This suggests that some discussions about hazard risks and insurance availability need to be encouraged earlier in the process.

Our preference is that focus be taken towards innovation that enables our communities to continue to operate in an evolving climate. For example, Japan has introduced technologies to enable communities to remain living in high-risk earthquake zones. If managed retreat is necessary, government could look to establish a Crown insurance (similar to EQC) for the future adaptation costs and compensatory requirements. Council does not have a position either way on this. However, we would stress that it is important that any central government insurance programme not mask important 'signals' of risk to such an extent that the development continues without a proper climate change impact assessment and adaptation plan being undertaken.

Non-ambiguous direction from central government would be valuable to support community discussions and funding options, not only for the physical costs, but for costs to support wellbeing as well.

B. Lessons learned from severe weather events and natural disasters in Aotearoa New Zealand for community-led retreat and funding climate adaptation.

The Kāpiti Coast is increasingly experiencing the impacts of climate change, particularly in terms of more frequent and severe storm events. Along the coast and across the district, these storm events can cause flooding, land slips, and erosion, thereby harming infrastructure, public and private properties, and the natural environment. The impact of climate change on already naturally high groundwater tables, through rising sea levels and increasing rainfall, adds to the challenges. In more recent times, the impact of weather events has been manageable at local level however it has impacted people's daily lives and our local economy in the short term.

Council has long been aware that climate change is a growing concern for our communities. Council has repeatedly heard from a broad cross section of the district, with remarkable consistency, that climate change is a key concern for our sustainability and resilience.

As noted above, Council has a long history of climate change action working with the community to develop evidence-based coastal adaptation plans since the 1970s. Most recently, Council declared a climate change emergency on 23 May 2019. While this declaration was, in large part, due to local community advocates who organised through the 2019 School Strike 4 Climate campaign, it also served as a message to central and regional government that local councils need more support. From this position, Council has adopted a *Climate Emergency Action Framework* from which was developed a document of action, *Climate Emergency Action: Delivering on our climate change commitments*, detailing actions Council will take with and within the community to support climate change mitigation, adaptation, and transition.

Council sees this work as part of an ongoing conversation with Kāpiti's communities as we work toward developing our Vision for Kāpiti 2060 and adoption of a Climate Strategy.

C. Effective mechanisms for community-led decision making

It is imperative that any legislation or guidance developed for communities considering response to climate related change over the short to long-term, includes opportunity to discuss managed retreat.

For councils leading these discussions, there is a need to consider the risks of litigation and the impact that this may have on timely response. Existing guidance provided by central government does little to enable risk-based decision making at a local level. New guidance recently developed for the National Policy Statement: Natural Hazard Decision-making may go some way to support councils to carry out evidence-based risk and impact assessments and then zone land (or allow/disallow resource consent) according to risk (i.e. red, yellow, or green). However, decisions based on the NPS's risk framework must be given the weight needed by the Courts to ensure development is not appealed and does not occur where it will later suffer from intolerable risk. Again, the basis of this decision-making must sit within mandated or agreed evidence.

The National Adaptation Plan expects councils, as the agency closest to impacted communities, to engage communities in reducing risk and adapting to a changing climate. Community consultation is critically important, but it must be effective. The current Special Consultative process in the Local Government Act 2002 will not be fit for this purpose, yet at some point in the overall process there will need to be a legislatively mandated decision point that is beyond legal challenge with respect to the substantive decision. Currently, our engagement with communities around coastal risk, and flood risk, hazards related to climate change, have been underpinned by requirements set by the Resource Management Act 1991 because of their connection to district plan changes. Although recent changes to this legislation have occurred, requirements for community engagement are underwhelming.

The Kapiti Coast community is very interested in the underlying data and evidence that informs discussions around climate change, due to a mistrust around the validity of the evidence proposed by central government. Unfortunately, evidence is evolving in this space, and there doesn't seem to be an authoritative position from central government on best practice. For example, we have recently written to the Ministry for Environment and Department of Conservation seeking clarity, as their evidence-base and technical guidance related to coastal hazard identification, and planning implications, don't seem to align. Further, it is important for councils and communities to understand the limitations of any data that is made available, particularly in instances when national data might be insufficient for local decision making – such as: can the data be used to justify decisions at the

property level, or can it only be used at the SA1, SA2, district, or regional level? For instance, when more detailed, site-specific research is required, guidance on how to procure such data might be useful for some councils. There is also the need to understand the wider impacts of locational effects – one property within a grouping of properties may be ‘safe’ from the direct impacts of flooding for instance, but as part of the larger affected area, may no longer be able to be serviced by public infrastructure, including with access. How are such variations in impact to be mediated through to a ‘community-wide decision’? Central government guidance on these points needs to be strengthened, and more widely supported by the academic community to withhold litigation action in the court, which is a practical issue most councils face. The weight of such decision-making must draw on valid, locally applicable, evidence-based data.

While the current *Coastal Hazards and Climate Change: Guidance for Local Government* guidance is well researched and offers some very good advice, it stops short of providing guidance on how to address these common implementation challenges. Targeted guidance is important and useful, but the guidance for local government must be practical and usable at the local government level and follow the process through to its end. This is why it is so important to involve local government experts in the development process.

Takutai Kāpiti

As mentioned earlier, Takutai Kāpiti is our district’s coastal adaptation project. Following an unsuccessful attempt to introduce a coastal risk hazard chapter to our district plan, litigation by two advocate groups resulted in a settlement agreement (lodged with the Environment Court) for the Council to stand-up an independent panel who would look to identify coastal risk hazard risk, and options for the way forward. The *Coastal Advisory Panel*, chaired by Rt Hon James Bolger ONZ PC, and community and iwi representative members is tasked with working with the community to:

- Determine what’s most important, from a community perspective, for our district’s coastal adaptation planning.
- Develop recommendations for adaptation options and short- to medium-term pathways for adapting to coastal erosion and inundation (coastal flooding).
- Communicate their draft recommendations at a series of community engagements for feedback.

In May 2024, the Panel will report back on community on values, preferences, and adaptation pathways, and broader findings recommendations related to climate change.

Affordability

The challenge of keeping rates affordable for our communities has a significant impact on local government’s ability to take on significant costs related to climate adaptation. Even if local governments and communities agree that they should share the costs, they will find it financially difficult to do so. Decision making on climate change may, as a result, often be dictated by affordability rather than by the risks and impacts of the changing climate, meaning that government avoidance of upfront costs may be rewarded by far more significant recovery costs.

As mentioned above, Kapiti Coast District Council proposes that a pragmatic approach be taken to enabling local councils to levy for adaptation which would be matched, dollar for dollar, from the national tax take. Focusing on upfront prevention and preparation would be more advantageous for communities that introducing more restrictive and directive policies at a national or regional level.

Involvement of mana whenua

To meet the principles of Te Tiriti, mana whenua perspectives and mātauranga Māori voice must inform community and infrastructure adaptation decision-making. For mana whenua to have effective input, they must be included from the start, properly resourced to participate, and empowered through opportunities for discussion and decision making. Support with resources is particularly critical for iwi who have not completed Treaty of Waitangi settlements. A one-size-fits-all approach to funding iwi to participate is unlikely to be appropriate.

Central government funding for mana whenua participation in climate related work is now needed. From direct experience, Council notes that it is unrealistic to expect intensive mana whenua involvement without additional support and resourcing for mana whenua to:

- participate in decision-making, particularly in a mana enhancing way;
- implement adaptation within their own communities; and
- challenge legislation that results in poor outcomes for Māori, including their ability to use and access their land in a changing climate.

Engaging our communities

Our Council operates on a basis of 'collaborative action', working alongside service providers, local iwi and hapū groups, social service agencies, and other community groups on the needs of our community. For climate change this includes emergency response and recovery, and transition to a low-carbon, climate resilient future. As these organisations are at the front line, they are critical for providing education and tools.

Our Council is also developing our "Vision to 2060 and beyond", positioning how the district grows and develops through this period and for mid-century when climate change may more forcefully impact. Council is also developing a Climate Strategy that we expect to publicly consult on 2024.

In support of this work, we provide our local iwi and other community groups, a range of grants to promote and support iwi-led, community-led, and business-led initiatives. Central and regional government should be doing the same.

D. The role of the private sector in managing climate risk

To improve resilience to the future impacts of climate change, Council agrees that the risks and costs of adaptation must be shared across affected actors and sectors. However, this burden shouldn't be left to our local businesses alone, which are likely encompassed by the 'private sector', who are part of our community; and are already ratepayers.

When risks and costs are transparent and each actor understands his or her obligations, then they will be more likely to participate in the development and implementation of adaptation plans to reduce risks. Central government could helpfully progress proposals to develop *fair and just* economic and financial requirements for private entities (including banks, insurance providers, developers, and others) to share some of the adaptation costs. We have previously suggested a new adaptation levy at local level, matched dollar to dollar with national government input. We think this would be a reasonably robust approach to effectively creating a 'community-insurance' fund for climate related events.

In saying this, however, Council is concerned that the ability (and potential willingness) of some stakeholders to take on their share of the risks (and costs) associated with climate change is not overestimated. For example, Kapiti Coast has a unique business environment with the majority of businesses classified as 'micro-enterprise' businesses. In practice, this means that we have many very small (under 5 employee) companies, or self-employed people, that pull in annual turnover of less than \$3 million. Currently, there is limited central government support or initiatives driven from

MBIE for this business group; and it would be a jump to assume that they are in a position to contribute (over current tax, and commercial local rates) significant, ongoing funding to climate change and adaptation.

Council agrees that banks, insurers, and the private sector should share in the costs and might actually find benefit in doing so, but it is not clear how definite or widespread those benefits might be. As was stated in the draft NAP:

By investing in resilience measures or supporting customers to do the same, banks and insurers can reduce their exposure. They also have the potential to support others to fund adaptation actions, through loans or 'build back better' post-event payments (p17).

Council is concerned that this assertion in the draft NAP might be woefully underdeveloped and only partially true. Without any special requirements or mandates, it is easy to assume that these actors will only do these things if there is an opportunity for profit (or to directly limit loss). As sea level rise is entirely certain (even with protection measures in place), many in the insurance industry have already signalled that retreat is the preferred option because insurance is not designed for events that are certain. More research is required as to what central government could do to help harness possible opportunities in relation to the roles of banks, insurers, and the private sector (including developers) to identify specific instances or schemes where opportunities could arise.

E. Potential institutional arrangements, including roles and responsibilities of central and local government agencies, iwi and hapū

Council agrees that there may be some economic opportunities to be found in climate change adaptation. Many businesses in our district are keen to transition to lower carbon operating models and/or develop services that will be more resilient in the face of climate change – as an example, the Kāpiti Coast is currently experiencing a rise in sustainable food production and sustainable tourism. Council notes that some of the national programmes supporting businesses on this journey (e.g. the Sustainable Business Network) are too expensive for micro-enterprise, small or medium sized businesses. Government needs to capitalise on the many small and/or local actions that have the potential to grow. These should be piloted for a wider, national implementation. One example is Businesses for Climate Action at the top of the South Island. While the current Sustainable Business Network membership costs are too high for most small to medium businesses, Businesses for Climate Action have organised to support small to medium businesses in the Nelson-Tasman area. While supported by local councils, this initiative was generated by the business community. Kāpiti businesses are using this model to develop something similar in our district. Modest funding support from a national perspective would increase the likelihood of its success.

Some actors might not ever realise any opportunities from investing in resilience measures or sharing the costs. In these instances, it is more important that central government develops more formal economic and financial requirements for private entities (including banks, insurance providers, developers, and others) to share some of the adaptation costs. Requiring these actors to share the burden of costs is important, not because they could potentially realise opportunities through adaptation investments, but because such costs could provide much-needed disincentives for developments in high-risk areas.

Local councils are on the front line when it comes to local communities and climate change adaptation. There's a balance required between enabling community-led solutions, and providing legislative direction on national direction. Councils need access to the right tools and supports available, to take the type of bold action required to help our communities adapt to our changing climate. Legislative reform is one tool which can help to create consistent approaches nationwide, giving confidence to our communities that we are acting within appropriately defined parameters.

F. Māori participation, Crown obligations, and how to best give effect to the principles of te Tiriti o Waitangi, and integrate mātauranga Māori and te ao Māori across the adaptation system

As kaitiaki, mana whenua recommendations about environmental protection and restoration should be given a high priority. We recognise that there is a need to balance existing legislative frameworks, which generally prioritise private property rights more unless there are already associated land use rules in our District Plan that can provide paths to implementing mana whenua recommendations (as with Significant Natural Areas, for example).

New guidance and legislative reform must support councils to carry out evidence-based risk and impact assessments and then zone land according to risk (i.e. red, yellow, or green). Decisions made through such a process should then be supported by legislation to minimise risk from legal challenges. Council would suggest taking this one step further, with mana whenua risk and impact assessments carrying equal weight. With respect to developing mātauranga Māori indicators, Council has worked extensively with our local iwi on environmental monitoring, particularly in relation to water quality monitoring. Council would hope that any new national requirements can be integrated with what is already agreed locally.

We want to highlight that there is a need to reduce duplication of effort regarding engagement with mana whenua, and would recommend that regional and national work engages through local council processes, instead of duplicating engagement for the sake of doing so at regional and national levels. If local-led solutions are the answer, then empower local councils to bring regional and national discussions to the rohe. Our mana whenua partners form part of Council governance and decision-making in the Kapiti Coast District. On that basis, we note the importance of being sensitive to other demands on mana whenua time and to develop flexible project plans that can accommodate mana whenua availability. As an example, at any one point in time, our Council can be carrying out several large projects with significant impacts on the natural environment (e.g. stream and river management to reduce flooding, wastewater disposals to land, or solid waste to landfills outside our district). The many requests for input into all these projects occurring at the same time can challenge the capacity of our local iwi partners. One of Council's iwi partners, Ngāti Toa Rangatira, has more than 10 councils that intersect with its rohe, expanding this demand exponentially. Let local led solutions, to local issues.

G. Alignment and integration with existing legislation and regulatory framework, including the reformed resource management system and any changes needed to regulatory powers and potential economic or other incentives needed to support adaptation actions (both before and after extreme events)

Council supports the position of the Expert Panel on Climate Change, that overarching legislation, containing all necessary powers, should govern the adaptation system, including planned relocation. It will be important that this legislation specifies the circumstances in which its terms take priority over other legislative provisions, and that the impact of doing so is properly assessed. The range of powers will necessarily contain those related to process, disputes resolution, emergencies, and the ability to intervene in other systems.

However, legislative changes need to be informed by the people, and a "New Zealand" wide view; and better engagement on substantive changes to legislation in this space needs to occur. If this doesn't happen, local councils would expect community push back against proposed changes; an example of this is the most recent directive around growth and intensification, where people have shared, they feel that a 'one size, fits all' national directive has been driven at the expense of all other factors.

For local councils, the problem is less about understanding the risks and more about having the tools to manage the risks – more priority must be given to clarifying roles and responsibilities (enabling district councils to lead, at local level); aligning legislation, including regulatory and social impact statements; and developing incentives, requirements, and funding options to ensure a supporting legislative environment. For example, guidance around the ongoing ownership of at-risk land will need to be addressed, to support councils to determine when and how services may be withdrawn from at-risk areas (i.e. population levels, or viable access). Within this, consideration of the applicability and acceptability of using the Public Works Act (PWA) should be thoughtfully discussed.

Our Council proposes that local government involvement is required and essential for the development of a consistent and useful mix of legislation, guidance, and evidence. There is opportunity to create more upfront engagement, and less “consultation” on topics of national significance so that local voice is heard early on. As the practitioners who have been at the coal face of these discussions local government can offer the best practical insights.

Resource management

Resource management reform is needed for a range of reasons, but one aspect of reform that is particularly important at the local level is in relation to District Plan changes (which remains applicable over the next six or more years). While it is important that changing land-use rules are well considered and consulted, the current process of notifications, submissions, hearings, and appeals can be slow, cumbersome, and expensive, and there is no clarity that in operation the new processes of the Natural and Built Environment Act and Spatial Planning Act will be any better. These processes are too slow for responding to quickly escalating risks brought on by climate change. We understand this Act may be repealed by the incoming government, and would value the opportunity to provide input into a replacement proposal.

Another aspect of this reform that is important is in relation to local government’s abilities to truly give effect to our tāngata whenua partnerships and Treaty House models, particularly as we are carrying out the design and implementation of adaptive planning pathways.

Building Act

In one particular respect the Building Act needs review if we are to seriously look to build a more resilient future. Currently, if a developer/owner has engineering advice showing that a building can be designed to avoid or mitigate risk, Council must take that as definitive.

As noted above, this is where a consistent approach to data is so important. Where risk is seen as less than tolerable this is a shared understanding based on mandated or mutually agreed data. This is the only way we can avoid continuing to build in areas that may in the future become high risk.

LGOIMA

Recent amendment to the Local Government Meetings and Official Information Act provides for greater information to be available through Land Information Memoranda. The completeness clarity, and consistency of this information will be vitally important for this tool to be useful for people buying property to properly assess any climate related risks. and non-ambiguous coupled with supporting legislative change will also be helpful. This clarity must come from consistency in mandated and agreed support data.

More generally, Councils and communities need a clear framework that will allow for fit-for-purpose hazard information to be shared.

H. Funding sources, access to them and principles and criteria for cost sharing

Our Council supports the objectives and principles approved by Cabinet in 2021 with respect to funding and financing climate adaptation (including planned retreat). These are enumerated in the

Report of the Expert Panel (paragraph E48). Of the Principles the Panel notes that three features are particularly relevant:

- the objective of reducing hardship due to the impacts of climate change,
- the need to ensure fairness and equity among communities and generations,
- the appropriate sharing of risks and responsibilities.

Additional to Cabinet's Principles, as with the Expert Panel, Council believes that funding should be sufficient for the task at hand, fiscally prudent and responsible, adaptable to the changing pace and scale of adaptation requirements, certain and predictable, fair, and contribute to compensatory, restorative, and distributive justice, take proper account of the rights and interests of Māori, administratively efficient and low cost, and without perverse incentives.

While the Expert Panel suggest that funding responsibility should, in principle, match the level at which decisions are made, as we have commented above, council and communities simply cannot afford the magnitudes of cost likely, and relying on them will slow decision-making and action which is likely to lead to potentially greater recovery and economic cost. Council believes a wider distributive levying, including a mandatory government insurance scheme perhaps, with the allocations from the collected funds shared in accordance with the above principles is a more feasible response.

The underlying compensatory principle from any funds collected or financed should be to avoid hardship. This will mean particular support to vulnerable communities and groups with equitable attention to hapū and iwi particularly where there is further dispossession from their whenua, where a full compensation approach should be taken.

I. Targets or indicators for assessing progress to more resilient communities and infrastructure.

Council has worked extensively with our local iwi on environmental monitoring, particularly in relation to water quality monitoring. We would hope that any new national requirements can be integrated with what we have already agreed locally.

We thank the Committee for this opportunity to provide input to its Inquiry on Climate Adaptation. Council's contact for this submission is Chris Worth, Principal Advisory, chris.worth@kapiticoast.govt.nz.

Ngā mihi



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