



14 June 2024

Finance and Expenditure Committee
Parliament Buildings
Wellington

Tēnā koutou katoa

Submission on the Inquiry into Climate Adaptation

1. Introduction

This submission is from the Clifton to Tangoio Coastal Hazards Strategy Joint Committee (“Joint Committee”), formed by members appointed by the Hawke’s Bay Regional Council, Tamatea Pōkai Whenua, Hastings District Council, Mana Ahuriri Trust, Napier City Council and Maungaharuru-Tangitū Trust.

Our task is to develop a long-term adaptive plan for coastal hazards for the stretch of coastline between Tangoio in the North, and Clifton in the South. This is the most heavily populated coastal area in Hawke’s Bay, encompassing the city of Napier and the coastal settlements of Clifton, Te Awanga, Haumoana, Clive, Awatoto, Bay View, Whirinaki and Tangoio.

These areas are predominantly low-lying and are exposed to risks from coastal erosion and coastal inundation. Sea level rise will increase these risks over time. Retreat is likely to be the only viable long-term solution for some communities.

This process has taken longer than we expected; existing legislative settings have hindered our pace and progress. The key remaining task that we are now developing is the funding model for implementation – that is, determining the relative contributions to Strategy implementation from property owners, rate payers and any other contributors.

We wish to appear before the Committee to speak to our submission, and ask that at least one representative from each organisation that forms our Joint Committee is given the opportunity to appear before the Committee to discuss our submission.

2. Overview

Thank you for the opportunity to provide a submission on the Finance and Expenditure Committee's inquiry into climate adaptation. The Joint Committee lodged a comprehensive submission to the Environment Committee on its 2023 inquiry into climate adaptation, and this submission should be read in conjunction with that submission.

This is a timely, and important opportunity to engage with central government on this critical topic for our region and the rest of New Zealand. The Joint Committee wishes to take advantage of this opportunity to highlight some key points from the earlier submission, and we look forward to discussing our submissions about the challenges and opportunities ahead with you.

3. Risk Based Decision Making

A durable, affordable, and fair approach to adaptation must in the first instance be founded on an effective risk-based decision-making process that is technically robust, but has flexibility to enable local input and consideration of what communities might consider tolerable or intolerable risks.

Assessments should be carried out locally, using a national framework/methodology and reviewed centrally with as broad a base as possible involved in terms of subject matter technical experts. The tolerability of residual risk needs to be determined collaboratively, and through consultation including community, mana whenua, councils and central government. We acknowledge there is inherent bias toward shorter-term thinking; community perceptions of what is important and what level of risk they would be willing to accept needs to be considered within national parameters of tolerability.

4. Adaptation Planning

Adaptation planning is time and resource intensive. It needs to be done in response to risk, and there needs to be consistency and minimum standards as to how this is done. Central government should focus on higher-level standard and framework setting, with the development of clear, objective, scalable risk assessment processes outlined, and clearly defined terms and thresholds. It is suggested that having a risk threshold or a matrix to help guide where / when adaptation planning is a requirement would be useful, alongside provisions or standards on how this should be undertaken.

It is essential that the process includes the community in adaptation decision making, and empowers them to lead the process where appropriate. This will assist with the uptake of decisions through the community and enable transparency of risk if there is inaction. Decision-making should not be left to technical experts with no holistic community-based lens applied. Decisions should be consistent regionally, and linked to funding.

5. Outcomes and Principles

The ultimate outcome should be the creation of resilient, sustainable communities that are empowered and enabled to support themselves.

We also consider the following priority outcomes to be essential:

- Increasing the physical and psychological safety of our people;
- Ensuring roles and responsibilities of all parties are clear;

- Giving effect to the principles of Te Tiriti o Waitangi; and
- Ensuring equity between and within communities and generations.

Consideration of future generations, and a commitment to consensus and community empowerment are critical, and the Joint Committee considers the following principles should be at the core of the process:

- Ensuring processes are fair, flexible, efficient, timely, and transparent;
- Ensuring decisions are evidence-based, while accepting there will be some uncertainty;
- Involving communities in decisions that affect them; and
- Ensuring that iwi, hapū, and Māori are represented in governance and are empowered to partner with the Crown on retreat processes and outcomes for their people and whenua.

When it comes to making decisions about retreat, clear principles around what constitutes a mandate for retreat will be important. It is not realistic to expect a purely voluntary system to be effective. It will be important to ensure there are adequate but tightly controlled powers to ensure land is not inappropriately used after retreat. This will need to include clear powers around ownership and control of the land once it is retreated from, including what the land can be used for and to ensure environmental outcomes are achieved. In situations where mandatory retreat becomes necessary, this is likely to be a trigger for the withdrawal of services.

6. Costs and Liabilities

The key principle must be equity. In general, all people and groups who benefit from an adaptation action should pay, taking into account equity principles, including government agencies and utility providers. Further, any group or organisation exacerbating issues should be expected to financially contribute, for example where there is encouragement to rebuild infrastructure and housing in areas known to be exposed to natural hazards without appropriate adaptations. Taxpayers and ratepayers are all vulnerable in some way, and all need to contribute to the costs of adaptation alongside asset and property owners.

The biggest issue with the current approach is that risk lies where it falls, and this often leads to perverse outcomes. We need to ensure that vulnerable groups are not perversely incentivised to move into high-risk areas. We also lack a clear collective understanding of affordability and whether this is tied to the land value or the inherent risk of living there. Without financial support, many people will be unable or unwilling to retreat, the consequences will get worse, and the sense of community will erode.

Equally, it should be carefully considered whether persons who knowingly buy into properties within at-risk-areas should be treated differently from land holders who have had long-standing property interests and new information or events now mean those properties are identified as at-risk.

While central government cannot be expected to pay for everything, central government funding should generally be available to support adaptation in the same way that it is available to support roading. There needs to be a clear framework created which allows people to make good decisions with certainty long-term.

Investment in resilience prior to events is orders of magnitude lower in costs than recovering after an event; there is a strong business case for government to support improved resilience as it will reduce the cost of response overall. Councils need to be empowered to develop/encourage solutions for resilience at the point of development, not after the fact, and financial incentivisation is required for this. Clear rules will also need to be established about when decision-makers will and will not be liable for decisions. Where a robust risk assessment and adaptation process has been followed, there should not be any liability.

7. Success Factors

To achieve successful outcomes, communities need good quality, holistic risk assessments to identify the greatest risk to life or intolerable risk and the lowest ability to pay. This can then drive a targeted and effective adaptation planning programme.

Adaptation skills, training, and capability development in local government, who are at the coal face, is essential to ensure adaptation is achievable and appropriate in the circumstances in both a local and national context.

8. Conclusion

Climate adaptation is one of our greatest challenges. In the Joint Committee's view, we need to move faster, and more efficiently. We owe it to our communities to lift the standard and increase resilience. We cannot sit back and wait for the more catastrophic events like Cyclone Gabrielle to drive change. There are a wide range of legislative and practical barriers that are holding us back from effective local adaptation planning and action and we look forward to working with Government to address these for a resilient and sustainable future.