



Infrastructure New Zealand's submission on the Ministry for the Environment's proposed National Policy Statement on Natural Hazard Decision Making discussion document

1. Introduction

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to submit on the Ministry for the Environment's discussion document on its proposed National Policy Statement on Natural Hazards Decision Making (NPS-NHD).
- 1.2 INZ is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and operators.
- 1.3 While INZ has submitted as the peak infrastructure sector organisation, our members may make their own submissions raising those issues specific to their areas of interest or expertise.
- 1.4 In the below, we have given our views on a selection of the questions included in the discussion document and as relevant to our position.

2 Question 1: Is more action needed to reduce development from occurring in areas facing natural hazard risk?

INZ response:

- 2.1 Yes, this is evidently an issue. At present, local government risk identification and management is variable across the country. Climate change related weather events and other natural hazards are increasing in intensity and frequency, and threatening critical infrastructure, communities, and businesses. Risk identification, mitigation and management is a critical pillar of resilience.
- 2.2 The reality that Lloyds of London has identified New Zealand as the 2nd most hazardous country in the world after Bangladesh should be reason to pause and reconsider our approach to risk.



- 2.3 The North Island weather events earlier this year have highlighted the implications of land-use planning that has allowed for significant development in areas prone to flooding and other impacts.
- 2.4 It is our view that there is a lack of national guidance for risk assessment, a lack of data stewardship, and inadequate guidance on trade-offs that will need to be made between risk mitigation and adaptation measures, and other council priorities. Coastal hazards adaptation guidelines for local councils from the Ministry for the Environment have been a helpful start but are not enough. Standards and guidelines will need to be wider ranging and supported by powers to hold local councils accountable to them, as well as adequate resourcing for them to be met.
- 2.5 INZ welcomes progress towards coordinating and standardising the way that risk is identified and assessed across New Zealand. We are encouraged that the NPS is being developed despite uncertainty concerning the future of the Spatial Planning Act and relevant National Planning Framework (NPF) provisions, and given the lengthy implementation timeline ahead of the NPF being fully operational.
- 2.6 We also support the phased approach taken to address the urgent need for guidance while more comprehensive national direction is developed.
- 2.7 It is our view that a combination of consistent and clear guidance from central government, and properly enabled local authorities is the right approach to ensuring that New Zealand understanding the increasing risks of natural hazards and disasters.

3. Question 3: Are there other issues that have not been identified that need to be addressed through the NPS-NHD or the comprehensive National Direction for Natural Hazards?

INZ response:

- 3.1 There is inadequate focus in the discussion document on lifting capability and capacity at the local government level to deliver improved risk identification, mitigation and management.



- 3.2 At the heart of the problem definition that has predicated the proposed NPS is the view that local government risk assessment and decision making is variable in quality across the country.
- 3.3 The discussion document identifies that at present, there is no agreed approach on what constitutes acceptably robust data, and data collection on hazards for councils is expensive.
- 3.4 If practice is to improve, local government will have to lift its capability and capacity to assess and mitigate risk, and should be adequately funded to do so.
- 3.5 A centre of excellence to coordinate and act as a repository for risk assessment and response may be helpful. This would be led by the Ministry for the Environment.
- 3.6 The consequences of inaction on lifting capability include that Policy 3 leads to an unnecessary restriction of economic activity, infrastructure provision for communities and housing availability on the basis of an overly precautionary approach because of inadequate data.
- 3.7 Local government is responsible for about half of all infrastructure spend, despite New Zealand's tax system being one of the most centralised in the OECD. Any imposition of greater responsibility to the council level will need to be met with adequate funding and financing tools, to avoid 'unfunded mandates' being handed down to councils with inadequate resource.

4. Question 5 Should all natural hazards be in scope of the proposed NPS-NHD? Why or why not?

INZ response:

- 4.1 INZ considers that all natural hazards should be in scope. Natural hazards are often interlinked and should be considered as together when assessing their impacts on infrastructure and communities.
- 4.2 There is, however, a need to balance this whole for system approach with the need to reduce consenting costs and timeframes. At present, consenting costs make up an average of 5.5% of costs for infrastructure projects. For smaller projects, consent can



subsume some 16% of project cost.

5. Question 9: Do you agree with the proposed objective of the NPS-NHD? Why or why not?

INZ response:

5.1 We agree with the objective of the proposed NPS but note that at present the framework objective of Part 9 of the National Planning Framework and the stated objective in this NPS are inconsistent.

5.2 This should be resolved, with a preference for the objective of the NPS-NHD.

6. Question 22 What guidance and technical assistance do you think would help decision-makers to apply the proposed NPS-NHD?

INZ response:

6.1 We recommend that guidance on risk thresholds is developed alongside the NPS to aid local councils to assess tolerance levels in their communities.

6.2 INZ supports the development of defined risk thresholds in the development of national direction that builds on the NPS. However, we believe these should be brought forward, to give further guidance to councils.

6.3 At present, “tolerable” and “intolerable” risk are not defined, rendering Policy 5 less useful than it would otherwise be.

6.4 While we acknowledge the inclusion of the description of tolerance in clause 2.2 (b) of the proposed NPS, further guidance as to likely tolerability of a given impact with an opportunity for councils to build on these with locally contextualised knowledge and tolerance assessments would be valuable.

7. Other Considerations

7.1 Consistency with drafted National Planning Framework

7.1.1 Clarity around the hierarchy of national policy statements ahead of the planned transition to the national planning framework – or equivalent – is needed.



- 7.1.2 It is encouraging to see a clear hierarchy between the New Zealand Coastal Policy Statement 2010 and the NPS-NHD outlined in the proposed NPS. We note that this is consistent with the resolution of Parts 3 and 9 in the drafted National Planning Framework.
- 7.1.3 We also note that the second NPF, which will inform Natural and Built Environment plans, could include a process for Regional Planning Committees to assess the risks of natural hazards and identify at-risk areas where development may need to be restricted or managed in a way that reduces the risks. This direction will need to be consistent with the NPS.
- 7.1.4 Additionally, it is likely that opportunities to support Nature Based Solutions and the protection, restoration and maintenance of the natural environment will require consideration by regional planning committees. At present, the proposed NPS (policy 6) identifies that nature-based solutions should be preferred over hard-engineering solutions.
- 7.1.5 A clear approach is needed. Whilst we strongly support the use of nature-based solutions, we recommend that the NPS acknowledge other considerations which might mean that a hard-engineering solution would be preferable. Requiring identification of opportunities to support nature-based solutions (where appropriate) is preferred to the direction currently included in the draft NPS.
- 7.1.6 We also note that outside of the development of the NPF, there is a substantial amount of work underway or already published in this area, being led by agencies right across government. Coordinating this will be critical to ensuring that councils, infrastructure providers, communities, businesses, Māori and others affected by the changes can protect themselves and their assets while continuing to contribute to positive social, economic and environmental outcomes.

8. Conclusion

- 8.1 INZ thanks the Ministry for the Environment for this opportunity to submit and looks forward to continuing to engage with the development of the NPS and future national direction on natural hazard decision making.



Infrastructure
New Zealand

Yours sincerely,

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