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Kia ora koutou,

#### **SUBMISSION ON THE ENVIRONMENT COMMITTEE'S INQUIRY INTO CLIMATE ADAPTATION**

1. The Dunedin City Council (DCC) welcomes the opportunity to submit on the Inquiry into Climate Adaptation (the Inquiry) and comment on the paper *Community-led retreat and adaptation funding: Issues and Options* (Issues and Options paper) developed by the Ministry for the Environment (MfE).
2. The DCC supports initiatives to minimise the negative impacts arising from climate change, to identify opportunities to enhance wellbeing through adaptation, and to future-proof our natural and built environments.
3. The DCC notes the Issues and Options paper also has links to the National Adaptation Plan (NAP) and Natural and Built Environments Bill and Spatial Planning Bill. DCC submitted on these topics in June 2022 and February 2023 respectively.
4. The first NAP includes action to pass climate change adaptation legislation in the period 2022-2024. The DCC understands that recommendations from this inquiry were intended to inform development of a proposed Climate Change Adaptation Bill (CCAB).
5. Following the general election on 14 October 2023, the legislative regime governing climate adaptation and managed retreat appears uncertain, however this submission seeks to inform development of whatever approach may be preferred by the incoming Government.

#### **Context**

6. The DCC supports community-centred engagement and agrees that affected communities need to be fully involved in discussion of, and decisions on, their future – including in relation to climate change.
7. The DCC supports the intent of the terminology 'community-led retreat' as outlined in the paper but feels it does not fully address the complexities of climate adaptation or retreat. This terminology implies retreat or relocation will be community-led or driven and this may not always be the case. Indeed, retreat may be opposed by a community for many reasons,

including those outlined in paragraph 41 of the Issues and Options paper, but nonetheless be necessary to avoid intolerable risk or ensure safety. Such instances are likely unavoidable, and seemingly would not constitute a 'community-led' action.

8. Terminology like 'community-led' could be misunderstood by our city's communities and create community expectations that cannot be met by local or central government. Moreover, the definition of 'community-led retreat' in paragraph 19 of the Issues and Options paper notes "...a carefully planned process that *involves* the community at every step". Involvement in an adaptation process is different from leading.
9. DCC would support the existing 'managed retreat' terminology, or alternatives such as 'managed relocation' or 'planned relocation' and 'te hekenga rauora'. We note that the report of the Expert Working Group (EWG) on Managed Retreat states: "We use the term 'planned relocation' because 'relocation' involves both leaving and arriving, whereas 'retreat' focuses on leaving". The Issues and Options paper notes: Te hekenga rauora "draws on iwi, hapū and Māori migration history and signifies retreat with positive outcomes".
10. The term 'managed relocation' is used for the remainder of this submission.
11. Relocating people, places and assets out of harm's way should not be viewed as an option of last resort, but rather as one particular tool which, when combined with other tools – such as protection, accommodation, and avoidance – can enable a range of different adaptation outcomes. Many of these outcomes are likely to be positive and preferable to alternatives.
12. The terminology used to describe this process is, in the DCC's view, less important than repositioning it in a more neutral – even positive – framing. 'Retreat' or 'relocation' is not just an end game, the culmination of a series of other failed options. Rather, it can be an enabler of new protective infrastructure, of creating space for nature-based solutions that not only make an area safer but also a better place to live, and for reshaping urban form to better align with a changing natural environment.
13. In short, 'managed relocation' is a central tool in the toolbox, and one that potentially underpins the whole adaption system.
14. To this end, a limitation of the inquiry is the exclusion from scope of 'where we should build in future' (paragraph 14, Issues and Options paper), which is another central component of the adaptation system. Decisions on 'managed relocation' will be based on a range of factors – a complex trade-off of risks, opportunities, costs, and benefits. In the DCC's view, where people relocate to is a central part of any decision to relocate, not an afterthought. It is a question often raised by affected communities. Development of an enduring and comprehensive system of community-led retreat and adaptation funding should therefore include consideration of the areas to which affected communities would relocate.

### **The need for change**

15. The Issues and Options paper notes "there is currently no enduring and comprehensive system for community-led retreat and adaptation funding in New Zealand".

16. In DCC's view, the key word here is *system*. An effective regime for 'managed relocation' would need to be part of a wider adaptation system or framework. This system would not only need to address the four shortcomings identified in the Issues and Options paper (barriers to Māori participation, quality of risk assessments and adaptation planning, lack of overarching system, and gaps in funding approach), but also organise these within a coherent overall system. The respective roles and responsibilities of key stakeholders would need to be clearly outlined to enable a desirable balance between nationally-led direction and coherence, locally-led decision-making and delivery, and an appropriate funding model.
17. The DCC acknowledges the importance of collaboration in adaptation. Adaptation is a multidisciplinary challenge that requires collaborative solutions across councils, community groups, mana whenua, researchers, businesses and central government.
18. The DCC would welcome additional clarity of the roles and responsibilities of regional and city councils in relation to climate change adaptation across all legislation. The relationship between Regional Councils and Territorial Local Authorities (TLA) regarding funding has not been identified, the DCC would like to request further clarity on this. The DCC appreciates our partnership with the Otago Regional Council (ORC) on climate adaptation and clearer guidance would support ongoing collaboration and help strengthen that partnership.

#### **Te Tiriti-based adaptation**

19. DCC supports the definition of Te Tiriti-based adaptation in paragraph 87 of the Issues and Options paper, which speaks to Māori involvement throughout the process, creating space for rakatirataka, providing access to relevant information, and embedding te ao Māori and mātauraka Māori in the process.
20. While we are constrained by the principles of the Treaty of Waitangi (Lands Case, 1987), the DCC strongly supports aspirational efforts towards Te Tiriti o Waitangi, thereby further strengthening our relationship with mana whenua. This is so that the adaptation system upholds Māori rights and interests and provides a foundation for discussion with mana whenua about appropriate and effective adaptation responses, including 'managed-relocation' and 'te hekenga rauora'.
21. Māori participation in the adaptation process is of critical importance. As noted in Chapter 3 of the Issues and Options paper, there are a range of barriers to Māori adaptation that need to be acknowledged and addressed, consideration must be given to the special nature of Māori land in adaptation planning, and an adaptation system needs to account for the potential for climate change to have a disproportionate impact on Māori.
22. The disproportionate effects on Māori include marae and papakaika (and access to these) across Aotearoa at immediate threat of sea level rises. Furthermore, a high proportion of Māori live in rural, remote or low-lying areas as evident here in Ōtepoti Dunedin. This puts Māori more directly in harm's way, and Māori communities risk being more severely impacted by climate change if appropriate measures are not put in place.
23. To ensure the principles of Te Tiriti o Waitangi/The Treaty of Waitangi are given the best effect, the adaptation system must be able to integrate mātauraka Māori and te ao Māori.

This integration needs to occur so te ao Māori principles and values can inform and strengthen the adaptation process, while also enabling mana whenua to actively participate and lead adaptation kaupapa where appropriate.

24. DCC also endorses the key considerations for a te Tiriti-based approach to 'managed-relocation' and 'te hekenga rauora', as outlined in paragraph 94 of the Issues and Options paper, and will be guided by these in ongoing kōrero with mana whenua and Māori communities about adaptation planning.

## **Risk assessment**

25. The DCC suggests variability in risk assessment quality may be reduced through the use of standardised methodologies and guidance, along with the consistent base data, scenarios or projections, and time periods when considering 'managed relocation'. To this end, the Government's work to develop a National Policy Statement on Natural Hazards Decision-Making and formulate a more comprehensive national direction on a Natural Hazards Planning Framework would be beneficial.
26. Quality risk assessment would require associated skillsets to undertake the work, and financial resources to fund such activity, which may or may not be available to councils. DCC would welcome additional clarity on what technical and financial support central government could provide for risk assessment work in the event the requisite resources are not available at a local level.
27. The DCC would support risk assessments being carried out primarily by technical experts, noting the cross-cutting nature of risk assessments could necessitate a diverse range of multidisciplinary experts, depending on the scope and complexity involved. Technical expertise should be complemented and supplemented with local knowledge and expertise, including by incorporating te ao Māori, local mātauraka, and provide opportunities for mana whenua to have input and lead where appropriate.
28. The DCC suggests tolerability of risk (whether a risk is acceptable or not) should be based on the level of risk (time, likelihood, consequences) and the ability of people, buildings, infrastructure, or ecosystems to adapt or cope. Further technical work would be required to quantify tolerance levels at local levels and nationally determined guidance would be beneficial in this regard.
29. The DCC believes that risk assessment is the first step in adapting and is essential for understanding the risks we face.
30. Risk assessments should be carried out by a local agency wherever possible, assuming the requisite guidance, capability and resources are available. Where this is not the case, it would be beneficial to have the option to call on central agencies to assist, either in carrying out the assessment, providing additional resources, or in peer reviewing a local assessment.

## Local adaptation planning

31. The DCC strongly supports the need for local adaptation planning, particularly where historic land use planning has not foreseen, or not taken account of, changes in weather patterns or landforms, and the natural hazard risks are becoming too high.
32. South Dunedin is one such example, where development has occurred on a flat and low-lying former coastal wetland, creating an area that has become a basin with no natural outflow. South Dunedin is home to a vibrant, diverse community of around 13,000 people. There is a strong connection to place and varying levels of social and economic resilience. Much of Dunedin's most accessible and affordable housing is located on the flat of South Dunedin. Climate change could exacerbate existing inequalities in the area.
33. Over time, coastal erosion and high groundwater have impacted the community in South Dunedin, and heavy rainfall events have led to extensive flooding. These water-related hazards are expected to increase with the onset of climate change, as are the associated risks for the community, necessitating local adaptation planning.
34. South Dunedin Future is a joint initiative between DCC and ORC to find ways to respond to climate change and flooding problems in the area. The vision is for improved community wellbeing and resilience through sustainable urban regeneration. Councils are working in partnership with mana whenua, affected communities, and other stakeholders to develop a climate change adaptation strategy for South Dunedin by 2026.
35. Central government direction could play an important role in strengthening local adaptation planning, including in South Dunedin. DCC supports central government direction to councils on the seven points listed in paragraph 151, of the Issues and Options paper. The DCC would also support decision making on adaptation pathways to be made by local authorities with support from regional councils and central government. A Local Government Act process may be appropriate.
36. DCC supports central government placing a requirement on councils to undertake adaptation planning where certain criteria are present. The trigger should be based on the assessed level of risk to people, property and ecosystems with the adaptation planning responses proportional to the level of risk.
37. A precautionary approach should be built into the adaptive planning system. Where there is insufficient information about a particular hazard or risk, this should not prevent precautionary adaptation planning, which could be further developed as more information is gathered about hazards and risk. Local adaptation planning should be enabled even when there is an absence of perfect information.
38. In terms of direction from central government to strengthen local adaptation planning, the DCC would welcome a nationally consistent framework that both *requires* councils to undertake planning and *provides guidance* on implementation at a local level. DCC supports the actions suggested in paragraph 147 of the Issues and Options paper, including:
  - placing a requirement on councils to undertake local adaptation planning,

- providing guidance on standardised process,
  - ensuring the process is flexible and responsive,
  - establishing core requirements for community engagement,
  - providing opportunities for mana whenua input and leadership where appropriate, and
  - direction on who makes decisions and how they are made.
39. DCC supports development of a nationally consistent framework for adaptation planning and decision-making which allows for some local flexibility. As decisions are made throughout the adaptive planning process, it is important to be inclusive, with mana whenua, affected communities, and other stakeholders afforded opportunities to have input and lead where appropriate.
40. DCC appreciates that adaptation planning decisions will be complex and at times require input from a range of stakeholders. The integrated nature of adaptation planning and broader land use and resource planning functions of councils, suggests the *primary* decision-maker should be local councils. That said, DCC would be supportive of a nationally consistent framework that also provided for delegation of decision-making powers, Ministerial powers, and processes for appeal and review where appropriate.

### **Community-led retreat**

41. The DCC supports the principles and outcomes for a community-led retreat system, as outlined in Table 7, Page 50, of the Issues and Options paper. Given the systemic nature of the issues, it is difficult to identify particular outcomes or principles that should be considered more important than others, as the strength and value lies in the collective. That said, it will be important to ensure conversations about ‘managed relocation’ and ‘te hekenga rauora’ are evidence-based, inclusive, and provide as much certainty as possible for affected communities.
42. The DCC agrees with the Expert Working Group on Managed Retreat that Option 2 – a mix of voluntary and mandatory parts – would be required by an adaptation system to effectively manage the complexities associated with ‘managed relocation’ and ‘te hekenga rauora’ and is therefore the preferred approach. DCC strongly supports the principle that those affected should have as much choice as possible, within the confines of the broader approach.
43. While DCC is supportive of the principle that *residential* land should no longer be used [for residential-related purposes] at the end of a retreat process, there could be a range of other appropriate uses for such land which could provide enduring value to councils or communities, without creating undue risk. For example, land assessed as being too high risk for residential housing could nonetheless remain suitable for other uses, such as council and community facilities like parks, playgrounds, open water courses, wetlands, and mahika kai or kaimoana gathering.
44. Moreover, transitioning high-risk residential land to other uses will be a critical element of an effective adaptation system. Commensurate changes to low-risk land not currently utilised for residential purposes could play a similar role. This type of land use change could

support urban or peri-urban spaces to be reshaped to better align with a changing environment, enabling more effective management of hazards and risk.

45. The DCC supports the requirement for new powers to ensure affected land is either no longer used for residential purposes, or retracted to appropriate uses, for instance prohibiting new development in areas that will be retired. The DCC also supports the creation of other necessary powers to enable community-led retreat including for the ownership, control, use, acquisition and retirement of land and acknowledges that the exact powers needed will depend on how the system is designed including which parts are voluntary and which are not and how choice is maximised.
46. Once a decision to retreat from a residential area is made, services should be able to be withdrawn as houses and areas are vacated. Councils and service suppliers should not be required to maintain or upgrade services in the interim.
47. The DCC recognises that planning for withdrawal of services, such as water and power, should be included as part of 'managed relocation' and 'te hekenga rauora' planning (Option A, paragraph 197 of the Issues and Options paper). This option is preferred as potential liability could constrain decision making and ultimately lead to delays on necessary relocation, and risk harm to people, property, ecosystems, and communities in the interim.
48. The DCC would like further clarification from central government around the associated determinations on when council services could be withdrawn or network infrastructure abandoned, either through no longer being maintained, or by being disconnected.

### **Funding and financing**

49. Greater clarity on funding and financing of adaptation is essential for developing an enduring and comprehensive system for adaptation and community-led retreat. The current approach is ad hoc and unclear, with adaptation planning constrained by an inability to answer the fundamental question of 'who pays for what?'
50. There is a need for a comprehensive, but flexible, overarching funding framework for adaptation and community-led retreat. This framework should clearly outline the respective roles and responsibilities of central government, local government, banks, insurers, and asset owners. It should include clear guidance on the circumstances under which public contributions (from tax-payers and rate-payers) would support adaptation actions, including detail on fixed commitments, and areas where discretion could be applied, particularly by local decision-makers. By extension, such a framework would clarify where remaining costs would fall to others, predominantly to banks, insurers, and asset owners.
51. The DCC supports the principle of beneficiary pays, in that the costs of adaptation actions – such as protective infrastructure, retro-fitting of house, or 'managed-relocation', should predominantly sit with those that benefit from them. Identification of who benefits from adaptation responses should also be a requirement of adaptation responses.
52. When considering the distinction between ratepayers and taxpayers the DCC suggests that ratepayers should help pay for the costs of adaptation where they benefit from adaptation

responses e.g. protecting critical infrastructure. Taxpayers should help people pay for the costs of adaptation in extreme events (disasters), where relocation is necessary before there is a retreat process in place or completed, effectively providing a form of national social insurance for critical damage.

53. The DCC agrees that central government should help councils meet adaptation costs where a problem is sufficiently large or complex that it cannot be addressed by communities and councils e.g. sea level rise and low-lying coastal communities.
54. In terms of central government communicating its investment priorities, DCC would prefer Option 3 as outlined in paragraph 275 of the Issues and Options paper, including signalling strategic investment priorities, amount of funding allocated, and criteria for decision-making. This would keep the issue alive and in the public arena and provide flexibility to respond to natural hazards and weather events.
55. One factor of adaptation funding and financing not addressed in the issues and options paper is the opportunity to generate revenue from 'managed relocation' or other adaptation-related actions. Such revenue could have a material impact on the long-term costs of adaptation and assessment of the trade-offs associated with 'managed relocation'. Proactive and early 'managed relocation' from an area that is currently not high-risk, but which is forecast to be so in coming years or decades, could provide revenue streams otherwise unavailable were relocation delayed and until risk becomes intolerable.
56. For example, central or local government acquisition of residential property in low- or moderate-risk areas, but which are forecast to become high-risk in several decades time, could provide multiple adaptation benefits. Ongoing use of the property, though rental, lease or other arrangements could provide a revenue stream to off-set a material portion of the costs of acquisition. Residents could remain connected to their property and community, while significantly reducing their risk exposure (e.g., capital not tied up in at-risk asset), and have more choice about relocating on more flexible timeframes (e.g., after children finish school, move out of home). Similarly, central and local government would have greater influence over managed-relocation from the surrounding area (e.g., through ownership of property) while also having a revenue stream to off-set costs of adaptation (e.g., through rental incomes), which would not be available if property acquisition was to occur at a high-risk stage or post-disaster event.
57. The South Dunedin Future programme is currently investigating the feasibility of using this approach and has submitted an indicative business case to The Treasury to explore this approach in more detail including where central government support may be necessary.

### **Adapting through recovery**

58. DCC recognises the benefits of using an enduring adaptation system to guide quick but sustainable decisions on adaptation in the immediate aftermath of a disaster. Post-disaster is a critical time, when decisions could have the impact of both avoiding future risk (e.g., by building back in more resilient ways, which could include not re-building at all) or further entrenching or exacerbating risk (e.g., by rebuilding quickly, in inappropriate ways and



places, which increase the impact of future disaster events). Having a comprehensive system for adaptation would help to realise such opportunities and mitigate such risks.

**Concluding remarks**

59. DCC expresses thanks for the opportunity to submit to the Inquiry into Climate Adaptation.

60. DCC welcomes the opportunity to speak at any hearings.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'J. Radich', is positioned to the right of a short vertical line.

Jules Radich

**MAYOR OF DUNEDIN**