



## INQUIRY INTO CLIMATE ADAPTATION

16 June 2024

Finance and Expenditure Committee  
New Zealand Parliament  
Wellington

[Submission to the Inquiry into Climate Adaptation](#)

Dear Committee Members,

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### INTRODUCTION

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Coastal Ratepayers United (CRU) is a community group representing over 500 Kāpiti ratepayers committed to ensuring local hazard risks are appropriately assessed and managed based on good science, good planning, and good law.

Over the last decade, much of our effort has been directed at reversing exaggerated hazard assessments based on poor science, poor planning, and poor law.

Institutional inertia and bias have made this process difficult, and expensive legal action seems like the only remaining course of action to overcome this. In the interim, we have decided to commission an exemplar Coastal Hazards Risk Assessment for Kāpiti by Waikato University at our own cost. This will be available soon.

Appropriate adaptation can only proceed with a good quality hazard risk assessment, including understanding its limitations and uncertainties. While the current Inquiry arose out of the recent Auckland floods and Cyclone Gabrielle, Coastal Hazard Risks are another area where adaptation is required, with the advantage that in the New Zealand Coastal Policy Statement (NZCPS) 2010, we have an explicit legislative framework for doing this.

Therefore, we welcome the opportunity to submit to this Inquiry and share our experiences with that process and lessons for broader adoption.

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## NEW ZEALAND COASTAL POLICY STATEMENT

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The NZCPS 2010 is a policy statement under the RMA and hence has the status of secondary legislation, but it is administered by the Department of Conservation. Regarding “Coastal Hazards”, it updates the earlier NZCPS 1994, which was largely revised to introduce a probabilistic/risk-based approach to hazard management. **NZCPS Objective 5 and Policies 24-27 primarily address coastal hazards**, and DOC has published Guidance Notes<sup>1</sup> to aid their interpretation.

**Policy 24** addresses the identification of coastal hazards and their assessment. It makes significant use of probabilistic/risk-based language: “*Identify areas ... potentially affected ...*”; “*giving priority to ... areas at high risk ...*”; “*taking into account [of] ... the likely effects of climate change*”<sup>2</sup>. [emphasis added]

**Policy 25** deals with areas potentially affected by coastal hazards and is focused on avoiding increasing the risk.

**Policy 27** deals with areas of significant existing development likely to be affected and addresses developing options to address the risks<sup>3</sup>.

NZCPS 2010, despite its limitations<sup>4</sup>, is worth some attention because it sets out a high-level risk-based framework in secondary legislation for identifying and assessing the Hazard Risks (Policy 24) and then for their management (Policies 25-27).

While aspects could be more explicit *in the case of climate change, it constrains the nature of the risks to be addressed to those that are **likely***. More generally, it tells those exercising powers under it to focus in the first instance on areas of high risk and to use specified risk thresholds for management.

Beyond this, the Climate Change Response (Zero Carbon) Amendment Act 2019 introduced into the Climate Change Response Act 2002 (CCRA) the requirement for a *National climate change risk assessment* that “must take into account ... current effects and **likely** future effects of climate change” (sect. 5ZQ (3)(e) [emphasis added]) —the CCRA sect. 5ZS (2)(d) requires a National Adaptation Plan that has to address the “**most significant risks identified** in the most recent national climate change risk assessment” [emphasis added].

Thus, the requirement in NZ law is to address the likely effects of climate change and address the most significant risks.

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<sup>1</sup> <https://www.doc.govt.nz/globalassets/documents/conservation/marine-and-coastal/coastal-management/guidance/policy-24-to-27.pdf>

<sup>2</sup> Note the phrase “likely effects of climate change” applies to both the identification and assessment of hazard risks, despite it being often incorrectly printed to imply it only applies to the latter.

<sup>3</sup> Note the NZCPS is to be applied by persons exercising functions and powers under the RMA.

<sup>4</sup> For example a bias away from hard protection and toward retreat. Also there are a number of other weaknesses that make it hard to implement that are documented in CRU’s forthcoming Kāpiti Coast: Coastal Hazards Risk Assessment.

Properly applied, the NZCPS 2010 and CCRA (2002) would address the current problems identified in the Ministry for the Environment's background paper to the previous select committee<sup>5</sup> regarding coastal hazards.

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## NZCPS 2010 - BEING POORLY IMPLEMENTED

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However, the NZCPS 2010 and the DOC Guidance on it are routinely being ignored, leading to overly complex, costly and poorly targeted assessments<sup>6</sup> and responses by central and local government<sup>7</sup> and consultants. Unfortunately, MfE has been one of the major sources of failure through its published guidance for local government on adapting to the effects of climate change and in other advice, e.g. by insisting on using what the IPCC now regards as unlikely and potentially implausible projections based on the SSP5-8.5 climate models.<sup>8</sup> MfE in preparing the first *National climate change risk assessment*<sup>9</sup> has carried through this exaggeration.

CRU has informed MfE in written feedback to their draft 1 and draft 2 versions of *Coastal Hazards and Climate Change: Guidance for Local Government* (2017) of its view that this misinterprets the NZCPS 2010. MfE made no changes and has not changed its approach in any of the updated guidance since including, as noted, in the first *National climate change risk assessment*.

Further, consultants are using methodologies and approaches that are not fit for purpose and are not grounded in demonstrated consistency with the historical record.

Perhaps most significantly, when it comes to the *likely effects of climate change*, their assessments and management responses are preoccupied with remote and highly unlikely risks. This is *ultra vires* the NZCPS and the CCRA (200).

The strength of having acceptable risk levels explicit in the NZCPS and the CCRA is that flawed implementations like this can be more easily seen and are open to legal redress by those inappropriately impacted.

As well as the use of very unlikely, worst-case scenarios of climate change rather than the "likely effects" as sensibly directed by the NZCPS and the CCRA, other specific examples of the failures to comply with the NZCPS include<sup>10</sup>:

- Misapplication of stress testing and the precautionary principle under the RMA/NZCPS to justify extreme assumptions.

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<sup>5</sup> "Community-led retreat and adaptation funding: Issues and Options" MfE (2023).

<sup>6</sup> Going back to 2014 CRU was one of the parties in a High Court Judicial Review case over LIM hazard lines. This resulted in KCDC undertaking an expert review that concluded they were not fit for purpose. KCDC withdrew both the lines and its proposed coastal hazard planning provisions based on them.

<sup>7</sup> The just adopted Wellington Regional Climate Change Impact Assessment Report (WRCCIA) by the Wellington Regional Leadership Committee (WRLC) is the latest in a long line.

<sup>8</sup> "Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change", IPCC (2021).

<sup>9</sup> "National Climate Change Risk Assessment for Aotearoa New Zealand: Main report – Arotakenga Tūraru mō te Huringa Āhuarangi o Āotearoa: Pūrongo whakatōpū" MfE (2020)..

<sup>10</sup> Full details will be given in CRU's forthcoming Kāpiti Coast: Coastal Hazards Risk Assessment.

- Misunderstanding of the roles of Hazard Risk and Hazard Vulnerability Assessments.
- Failure to undertake a probabilistic Hazard Risk Assessment.
- Use of coastal erosion models that are not fit-for-purpose and overestimate erosion compared to actual historical observations.
- Sea-level rise estimates understate land uplift and overstate future rise, inconsistent with local records, inflating projected erosion and inundation.
- Models of worsening extreme events are unsupported by the best available science and historical data.

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## IMPLICATIONS

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The result is poor-quality, untargeted, and expensive outcomes. Ratepayers and taxpayers bear the direct costs of this wasteful work (reported to be heading for \$5m in the case of KCDC). Property owners also face significant indirect costs from planning restrictions based on unrealistic long-term projections.

Compared to central and local government regulators, individual property owners have fewer resources and less information but will often be more willing to tolerate risk based on the benefits of living close to the coast and be better placed to manage those risks.

Thus, we are seeing regulators use their power to force their own risk preferences on property owners. The indirect costs of such regulation are extremely high. If a \$1 million home is demolished (or forbidden to be built) 50 years earlier than necessary, the loss in value to society can be over \$900,000 at an interest rate of 5%.

Meanwhile, using extreme rather than likely climate projections, over 1,000 Kāpiti properties are gratuitously projected to be impacted by coastal erosion by 2120.

**New Zealand is not wealthy enough to be so cavalier about costs.**

Some form of public/taxpayer reimbursement for a managed retreat from **immediately life-threatening** hazards (e.g., freshwater flood and slope instability) may be warranted.

However, this does not apply to slowly developing hazards, which gives ample time for appropriate hazard mitigation to be implemented and for property owners to adapt. If property owners fail to adapt, the losses should fall on them rather than on the community at large.

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## RECOMMENDATIONS FOR CLIMATE ADAPTATION MODEL

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Based on the above, we would recommend that the Committee develop and recommend high-level objectives and principles for the design of a climate change adaptation model for New Zealand that:

1. Adopts the main features of the NZCPS 2010 processes and, in particular, the explicit specification in it and the CCRA of the levels of risks to be used, namely:
  - Identify areas at high risk as a priority to keep the task manageable
  - Assess the risks in those priority areas based on the best information on **likely** climate change effects.
  - Develop adaptation responses based on that assessment that are sensitive to the level of risk.
2. Acknowledges effective adaptation requires:
  - Robust and proportionate risk and options assessments using adaptive processes for highly uncertain incremental risks like climate change<sup>11</sup>.
  - Recognising that property owners bear much of the risk, including from regulatory settings and interpretations, are likely to have different risk appetites from each other and regulators and are definitely at a disadvantage regarding resources and information to help them represent and manage their interests.
  - Where not inappropriate, enabling self-management and acceptance of risk by owners.

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## IMPROVE THE ADMINISTRATION OF NZCPS 2010

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Finally, a reset is needed in terms of how climate risk assessments are being undertaken for coastal areas. Councils and consultants need to be redirected to actually follow the realistic, likelihood-focused approach of the NZCPS and CCRA. Methodologies and assumptions must be grounded in the best available science on likely localised impacts. Disproportionate and costly responses based on unrealistic scenarios not supported by the evidence must be avoided.

We would therefore recommend that the Committee invite the Ministers for the Environment and Climate Change (as appropriate) to direct the Ministry for the Environment to withdraw any Guidance on hazard risks (including the *National Climate Change risk assessment*) that arise from unlikely assumptions about Climate Change (e.g., derived from assuming SSP5-8.5) or that lack proper consideration of the uncertainties in their assessments.

Thank you for considering our submission. We would welcome the opportunity to discuss these matters further with the Committee.

Sincerely,

**Salima Padamsey**

Salima Padamsey

**Chair**

**Coastal Ratepayers United**

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<sup>11</sup> However, the risks are gradual and incremental, and rather than needing the extensive processes foreshadowed in “*Coastal hazards and climate change guidance*” MfE (2024), the existing Planning cycles should allow appropriate adaptation.

