

QLDC Council

14 December 2023

Report for Agenda Item | Rīpoata moto e Rāraki take [4]

Department: Strategy & Policy

Title | Taitara : Queenstown Lakes District Council Submissions

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to present the submissions made to various government agencies on open consultations relevant to the Queenstown Lakes District Council (**QLDC**) and the Queenstown Lakes District.

This report seeks Council's retrospective approval of the submissions' content.

Recommendation | Kā Tūtohuka

That the Council

1. **Note** the contents of this report;
2. **Approves** retrospectively the contents of the submission to the Environment Select Committee on its Inquiry into Climate Adaptation;
3. **Approves** retrospectively the submission to the Ministry for the Environment (**MfE**) on Helping Nature and People Thrive – Exploring a Biodiversity Credit System (**BCS**) for Aotearoa New Zealand; and
4. **Approves** retrospectively the submission to the MfE on its proposed National Policy Statement on Natural Hazard Decision-Making (**NPS NHD**).

Prepared by:



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Title: Policy Advisor
23 November 2023

Reviewed and Authorised by:



Name: Michelle Morss
Title: GM – Strategy and Policy
23 November 2023

Context | Horopaki

1. Three submissions have been made by QLDC to central government consultation processes since Council's last meeting on 16 November 2023.
2. The consultations submitted on were:
 - The Environment Select Committee's Inquiry into Climate Adaptation – 1 November 2023 (**Attachment A**).
 - The MfE's exploration of a Biodiversity Credit System for Aotearoa New Zealand – 3 November 2023 (**Attachment B**).
 - The MfE's proposed NPS NHD – 20 November 2023 (**Attachment C**).
3. Summaries of these submissions are outlined below and attached in full. Councillors have had opportunity to view and comment on the attached submissions in draft form prior to them being lodged.

Analysis and Advice | Tatāritaka me kā Tohutohu

Environment Select Committee Inquiry into Climate Adaptation

The proposal

4. The Environment Select Committee consulted on the Inquiry into Climate Adaptation, with submissions closing on 1 November 2023.
5. The terms of reference for the select committee includes the following areas¹:
 - The current approach to community-led retreat and adaptation funding, its strengths, risks and costs;
 - Lessons learned from severe weather events and natural disasters in Aotearoa New Zealand for community-led retreat and funding climate adaptation;
 - Effective mechanisms for community-led decision making;
 - The role of the private sector in managing climate risk;
 - Potential institutional arrangements, including roles and responsibilities of central and local government agencies, iwi and hapū;

¹ https://www.parliament.nz/en/pb/sc/make-a-submission/document/54SCENV_SCF_A3FE0E05-8ABB-418D-8F44-08DBA45709B6/inquiry-into-climate-adaptation

- Māori participation, Crown obligations, and how to best give effect to the principles of Te Tiriti o Waitangi, and integrate mātauranga Māori (Māori knowledge) and te ao Māori (the Māori world) across the adaptation system;
- 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);
- Funding sources, access to them and principles and criteria for cost sharing, and;
- Targets or indicators for assessing progress to more resilient communities and infrastructure.

QLDC Response

6. The submission states that QLDC is supportive of the development of a nationally consistent framework that will enable it to address the challenges presented by climate adaptation and managed retreat.
7. Key messages in the submission include:
 - Clear national direction on natural hazard decision-making is required to support local authorities to more effectively and efficiently address natural hazard risks.
 - A collaborative approach is required in developing risk assessment methodologies and managed retreat decision-making processes that includes local authority experiences and aspirations and acknowledges their capacity and capability constraints.
 - Te Tiriti should play an important role in any risk assessment framework and managed retreat decision-making process.
 - Funding and financing options to facilitate proactive risk assessments and managed retreat processes must be established and prioritised amongst the wider central government reform programme.
 - A central agency should be established to consider funding mechanisms, establish national standards, manage peer review processes, and administer litigation, mediation and appeal rights concerning complex managed retreat processes.
 - Initial funding should prioritise significant risks to existing vulnerable activities, businesses, and infrastructure.

MfE's exploration of a Biodiversity Credit System for Aotearoa New Zealand

The proposal

8. MfE (in partnership with the Department of Conservation) consulted on its exploration of a BCS for Aotearoa New Zealand, with submissions closing on 3 November 2023².
9. The Government is considering whether a BCS could help to incentivise the protection and restoration of native wildlife in Aotearoa New Zealand. The aim of a BCS would be to mobilise investment to help conserve habitats and species by enabling landowners who protect and restore native wildlife to earn credits for their actions. The investment would support landholders to protect, maintain, and restore indigenous biodiversity in and around significant natural areas and in the wider landscape.

QLDC Response

10. The QLDC submission supported the investigation of innovative approaches to address the challenge of reversing indigenous biodiversity decline.
11. The submission contains several key messages including:
 - BCS systems must be clear, easily understood, and operate at pace.
 - A BCS should focus on all environments.
 - A BCS should give priority to biodiversity that is most at risk or threatened and should be determined by a single centralised source that is a robust source of truth.
 - Mātauranga Māori should be applied side by side with western science.
 - The applicability of a BCS should not be determined by land ownership.
 - Any BCS should be based primarily on outcomes. There should not be a timeframe required for credit generation as positive biodiversity outcomes may take a considerable amount of time to eventuate.
 - The system must be robustly applied through sound evaluation and monitoring.
 - The inclusion of legal protections (such as covenants) within the BCS is supported where they can guarantee enduring protection of biodiversity values.
 - Central government must provide adequate capacity and capability support to territorial authorities and regional councils to ensure efficient and effective outcomes.

² <https://consult.environment.govt.nz/biodiversity/nz-biodiversity-credit-system/#:~:text=A%20biodiversity%20credit%20system%20would,earn%20credits%20for%20their%20actions.>

- Central government has the best tools, experience, and regulatory mechanisms available to operate the market and it should play an important role in any BCS.

12. The BCS submission was developed with input and then endorsed by the Climate Reference Group (CRG) to ensure accuracy and alignment with their purpose.

MfE's proposed National Policy Statement for Natural Hazard Decision-making

The proposal

13. The MfE consulted on its proposed NPS-NHD, with submissions closing on 20 November 2023³.
14. The proposed NPS NHD would direct how decision-makers consider natural hazard risk when making planning decisions⁴ under the Resource Management Act 1991 (RMA).
15. Currently there is no national direction for local authorities, which are required to manage risks from natural hazards. This creates uncertainty for decision makers who face complex challenges, community resistance and ongoing litigation in their efforts to undertake effective risk-based land use decision-making.
16. In areas of low hazard risk, the NPS NHD would enable development. In areas of moderate hazard risk, the NPS NHD would require risk to be reduced as low as reasonably practicable. In areas of high hazard risk, the NPS NHD would require new development to be avoided unless it can be reduced to tolerable levels.

QLDC Response

17. The QLDC submission supported the development of national direction that will enable local authorities to more effectively and efficiently address the challenges presented by natural hazard risk.
18. The submission contains several key messages including:
- Te Tiriti, mātauranga, and Te Ao Māori should play an important role in natural hazard decision-making.
 - The requirement to implement a risk-based decision-making approach is supported as it places the concept of risk at the centre of decision-making.
 - It is critical that all natural hazards are in the scope of the proposed NPS NHD.

³ <https://environment.govt.nz/publications/proposed-national-policy-statement-for-natural-hazard-decision-making-2023/>

⁴ Including resource consents, regional policy statements, regional plans, district plans, designations, and any plan changes

- The decision-making process concerning the NPS NHD, and the Environment Select Committee Inquiry into Climate Adaptation should be made concurrently, and preferably, in a single and cohesive manner.
- The NPS NHDs proposed objective does not set the right outcome statements necessary to support good risk-based decision-making as the objective is ambiguous and tries to achieve too much with insufficient detail.
- The provision of new development and intensification in areas of low natural hazard risk or areas where hazards can be mitigated through the development process is supported.
- Considerable resources would be required to robustly implement a risk-based planning approach and given that local authorities already face challenging funding allocation decisions, central government should acknowledge and help resolve these challenges.
- Central government should establish and review nationally consistent standards and methodologies for risk assessment and engagement processes that must be followed by any person or entity undertaking a risk assessment.

Resolution Options

19. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
20. Councillors have had the opportunity to view and comment on the attached submissions in draft form prior to them being lodged. As the submission deadlines did not align with a Council meeting, the purpose of bringing this paper retrospectively is to ensure that the submissions are formally sanctioned by Council and to give transparency to the community.
21. The options for each of the submissions outlined above are the same.
22. **Option 1:** to retrospectively approve the contents of the relevant attached submissions as outlined in the recommendations.

Advantages:

- The submissions will remain in the relevant agencies' process and QLDC will have participated effectively.

Disadvantages:

- There are no clear disadvantages to this option.

23. **Option 2:** to request corrections, clarifications, or the withdrawal of the relevant attached submissions from the agencies' process.

Advantages:

- The submissions will be corrected, clarified, or withdrawn from the agencies' process and any inaccurate representations of QLDC's position will not be considered.

Disadvantages:

- No aspect of QLDC's position will be represented in the process if the submission is withdrawn.

24. This report recommends **Option 1** for each submission (if representative of the Council's position) to ensure that QLDC participates effectively in the relevant consultation process.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

25. These matters are of low significance, as determined by reference to the Council's Significance and Engagement Policy. This advice deals with matters of interest to a range of individuals, organisations, groups, and sectors in the community.
26. The persons who are affected by or interested in these matters are all residents and ratepayers of the Queenstown Lakes District. These proposals have not yet been decided on and have been open for all members of the community to provide a submission, not just Council.
27. No external consultation was undertaken in preparing the submissions on the NPS NHD or the Inquiry into Climate Adaptation, as there was insufficient time to do so given the tight timeframes provided. External engagement was undertaken with the CRG having input into the BCS submission. It is noted the subject submission processes have been open publicly and any person has been able to provide a submission.

Māori Consultation | Iwi Rūnaka

28. The Council did not engage with Iwi or Rūnaka in preparing two of these submissions, as there was insufficient time to do so given the timeframes provided by the agencies. The CRG has Kāi Tahu representatives who provided input on the BCS submission. However, it is noted the subject submission processes have been open publicly and any person has been able to provide a submission.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

29. This matter relates to the Strategic/Political/Reputation risk category. It is associated with RISK10056 Ineffective provision for the future planning and development needs of the district within the QLDC Risk Register. This risk has been assessed as having a low residual risk rating.
30. The approval of the recommended option will support the Council by allowing us to implement additional controls for this risk. This shall be achieved by achieved by monitoring future changes in legislation and other government regulations based on the advice to government, in particular addressing those issues that directly affect QLDC and the Queenstown Lakes District community.

Financial Implications | Kā Riteka ā-Pūtea

31. There are no financial implications for Council as an outcome of these submissions.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

32. The following Council policies, strategies and bylaws were considered:

- The outcomes and principles of the Vision Beyond 2050
- The QLDC Spatial Plan
- The QLDC District Plan
- The Climate and Biodiversity Plan
- The Ten Year Plan
- The 30 Year Infrastructure Strategy.

33. The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

34. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

35. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	QLDC submission to the Environment Select Committee on its Inquiry into Climate Adaptation
B	QLDC submission to the Ministry for the Environment on exploring a Biodiversity Credit System
C	QLDC submission to the Ministry for the Environment on its proposed National Policy Statement on Natural Hazard Decision-making

1 November 2023

Via Parliament Select Committee website

SUBMISSION TO ENVIRONMENT SELECT COMMITTEE INQUIRY INTO CLIMATE ADAPTATION

Thank you for the opportunity to present Queenstown Lakes District Council's (QLDC) submission to the Environment Select Committee on their inquiry into climate adaptation.

QLDC strongly supports the development of a nationally consistent framework that will enable it to address the challenges presented by climate adaptation and managed retreat. QLDC considers that the establishment of robust risk assessment methodologies and managed retreat decision-making processes will result in enduring positive outcomes for New Zealanders. However, as with any new management framework, a key success factor is effective implementation, with sufficient funding and investment to facilitate change.

QLDC's submission builds on the following key messages:

- Clear national direction on natural hazard decision-making has been absent since the inception of the Resource Management Act 1991 (RMA). Local authorities have faced considerable challenges filling this void. This situation has restricted local authorities' ability to address natural hazard risks. Decision-making processes will continue to be hampered until clear national direction is delivered. This should be a bi-partisan priority for central government.
- Local authorities have an important role to play in shaping and delivering risk assessment methodologies and managed retreat decision-making processes. A collaborative approach must be applied to ensure local and regional experiences are integrated into any new frameworks.
- Te Tiriti should play an important role in any risk assessment framework and managed retreat decision-making process. QLDC supports genuine engagement with local iwi and hapū.
- Funding and financing options to facilitate proactive risk assessments and managed retreat processes must be established and should be prioritised amongst the wider reform programme. Further detailed investigations are required to support the selection of the most effective and efficient funding mechanisms.
- The distribution of costs and benefits from risk assessment and managed retreat decision-making processes require careful consideration. A one size fits all approach is unlikely to be suitable. QLDC recommends that initial funding priorities focus on significant risks to existing vulnerable activities, business and infrastructure.
- QLDC supports the establishment of a central agency to:
 - Establish and administer an Accident Compensation Corporation (ACC) or the Earthquake Commission (EQC) type managed retreat fund,
 - Establish national standards and methodologies for risk assessment and managed retreat processes,
 - Undertake peer reviews of regional or local risk assessment processes, and
 - Administer litigation, mediation and appeal rights.
- A devolved form of decision-making should be retained that is generally consistent with existing RMA arrangements, to ensure local communities have a high level of engagement in significant decisions that are likely to impact their wellbeing. This decision-making process should be strongly supported by the abovementioned central agency.

- The matter of infrastructure and services have not been robustly addressed in the consultation material. Local authorities are infrastructure and service providers. These community assets can be subject to significant risk and may also be subject to managed retreat processes.

QLDC would like to be heard at any hearings that result from this consultation process. It should be noted that due to the timeline of the process, this submission will be ratified by full Council retrospectively at its next full meeting.

Thank you again for the opportunity to comment.

Yours sincerely,



Glyn Lewers
Mayor



Mike Theelen
Chief Executive

1.0 QLDC Context

The Queenstown Lakes District (**QLD/the district**) has an average daily population of 71,920 (visitors and residents) and a peak daily population of 114,790¹. The district is experiencing unprecedented growth with its population projected to nearly double over the next 30 years.

The district is one of Aotearoa New Zealand's premier visitor destinations, drawing people from all over the world to enjoy its spectacular wilderness experiences, world renowned environment and alpine adventure opportunities.

Pressure to accommodate population and visitor growth within an alpine landscape context has resulted in people and property being located within, or in close proximity to, natural hazard processes. This juxtaposition creates natural hazard risk. QLDC acknowledges that significant challenges will be faced by local authorities and their communities in addressing these natural hazard risks. QLDC has been working collaboratively with the community, iwi, hapū and regional council partners to find solutions to the highest priority natural hazard risks in the district.

In partnership with its community, QLDC has developed Vision Beyond 2050¹. This document sets out the district's community outcomes and forms the basis of the QLD Long Term Plan 2021 – 2031. Vision Beyond 2050 contains 8 vision statements. Of particular relevance is '*Disaster-defying resilience He Hapori Aumangea - Queenstown Lakes is a place that is ready and prepared for every emergency*'. This vision sets the scene for the following Vision Beyond 2050 outcomes:

- *Our communities are resilient to disasters and adapting to a changing global climate.*
- *Our people stand tall through any challenge, caring for whānau, neighbours and visitors alike.*
- *Our infrastructure is as resilient as our people.*
- *Recovery empowers our people to quickly find a new normal.*

QLDC declared a climate and ecological emergency in 2019 and has released its second three-year Climate and Biodiversity Plan 2022 – 2025². The Plan has three goals, under which sit six outcomes related to leadership, transport, built environment, communities, business, and the natural environment. These goals are intended to give effect to the Vision Beyond 2050 community outcomes. The Plan seeks to ensure that '*Queenstown Lakes is a place that is ready and prepared to adapt to a changing climate*' and identifies a set of actions relevant to natural hazards, including partnering with Otago Regional Council '*on a programme of climate change risk assessments, adaptation plans and natural hazard risk assessment studies to support community resilience projects and the implementation of a risk-based land use planning framework*'³.

Together with the natural hazard risk management approach outlined within the QLD Proposed District Plan⁴, these commitments illustrate QLDC's intention to implement effective and efficient natural hazard risk management.

¹ <https://www.qldc.govt.nz/media/ygjlrtton/demand-projections-summary-march-2022-2023-to-2053.pdf>

² https://www.qldc.govt.nz/media/ie3jk5bb/qldc_climate-and-biodiversity-plan_jun22-web.pdf

³ Action 1.12, Climate and Biodiversity Plan 2022 – 2025

⁴ <https://www.qldc.govt.nz/your-council/district-plan/proposed-district-plan>

This submission responds specifically to the questions posed by the Ministry for the Environment (MfE) Community Led Retreat and Adaptation Funding Issues and Options discussion document⁵. QLDCs answers to the MfE questions cover matters contained within the terms of reference⁶ for the select committee inquiry.

QLDC responses to MfE issues and options discussion document

1. Question 1 - Do you think we should use the term 'community-led retreat'? If not, what do you think we should use and why?

1.1. QLDC has undertaken extensive natural hazard assessment and decision-making processes. Managed retreat is one among a number of options recently endorsed by elected members to investigate further in order to manage natural hazards in an area close to the Queenstown CBD⁷. As such, Council officers have detailed experience of how natural hazard decision-making processes need to be robustly developed and communicated.

1.2. QLDC agrees that the thrust of any proposed approach for managed retreat will be to ensure that impacted communities have a significant and meaningful role to play in decisions that impact them. However, QLDC considers the term 'community-led' is somewhat paradoxical given the significant complexity and range of actors that necessarily feed into any risk assessment and decision-making process. QLDC considers it more accurate and genuine to represent the full range of actors that are involved in the process. The use of the term 'community-led' may give impacted communities an expectation or perception that they alone determine the outcomes of risk assessments when this is not likely to be the case. Currently, elected members determine first instance decisions around the allocation of local authority resources and the application of planning decisions that may implement an approach that extinguishes existing use rights. Further, 'community-led' does not accurately represent the (current) litigious reality of decision-making in this space. Often, there are smaller groups or individuals who challenge decisions reached and which have been approved by community-led processes.

1.3. It is also noted that managed retreat processes may occur in situations that do not directly impact 'communities'. For example, it may primarily impact infrastructure or service providers. QLDC would like clarification if these other actors may also be 'leaders' in managed retreat processes that impact them.

1.4. QLDC is concerned that if robust evidence and other actors overwhelmingly endorsed a managed retreat approach, but some in the community did not support that approach or there was not unanimity, that the overall process may be compromised.

1.5. QLDC would prefer the use of the term 'managed retreat'. This is a more neutral term that is commonly used and understood throughout Aotearoa New Zealand.

⁵ <https://environment.govt.nz/publications/community-led-retreat-and-adaptation-funding-issues-and-options/>

⁶ https://www.parliament.nz/en/pb/sc/make-a-submission/document/53SCEN_SCF_A3FE0E05-8ABB-418D-8F44-08DBA45709B6/inquiry-into-climate-adaptation

⁷ <https://letstalk.qldc.govt.nz/brewery-creek-and-reavers-lane-natural-hazard-review>

2. Question 2 - Are there other barriers to Māori participation in adaptation and upholding Māori rights and interests? How can we better support Māori?

2.1. Natural hazard engagement processes require significant technical capability and educational investment. QLDCs own experience has found that significant effort was needed to meaningfully engage with affected communities for the natural hazard processes it has run. This is also likely to also be the case to support effective Māori participation.

2.2. Local authorities will need a high level of guidance in the design of engagement processes to ensure meaningful Māori participation which supports enduring positive outcomes that support their vision and priorities.

3. Question 3 - Are there other issues that affect the quality of risk assessments and local adaptation planning? How can we strengthen our approach?

3.1. The cost of undertaking adequate risk assessments is significant. Proportionality is an important factor when considering these costs. It may be that the cost of undertaking the risk assessment and planning response is minimal in comparison to the scale of consequences associated with hazard events. However, there may also be circumstances in which the number of properties or area of land impacted is not proportionate to the cost. The latter scenario doesn't necessarily mean that the assessment or adaptation process isn't justified or shouldn't be supported, but it is representative of the challenging resource allocation decisions that local authorities face. This funding challenge needs to be resolved as part of any new approach to adaptation planning, as local authorities have considerable funding constraints and increasingly need to choose where limited resources can be applied.

3.2. Significant technical capability and project management capacity is required to undertake complex natural hazard projects. Local authorities are unlikely to have specific experience managing such projects or in-house geotechnical experts to undertake robust risk assessments. However, local authorities do have resource management planners, policy advisors and engineering staff whose skills would contribute to different parts of the risk assessment and adaptation process. These various actors will need upskilling and support to ensure suitable organisational models are offered to bring these targeted niche skills together. If local authorities are not provided with this support, it is likely that a significant amount of resource will be needed to procure external expert and project management advice.

3.3. Any new system should not rely on case-by-case risk assessments for resource consent applications. Local authority resource consent departments do not have the capability to assess ad hoc natural hazard assessments. This limitation should be acknowledged within any new process or supporting legislation. Better sharing of technical capability between territorial authorities and regional councils, or new support for territorial authorities is needed.

3.4. QLDCs experience has found that the degree to which impacted communities engage with any adaptation process is likely to impact the robustness of any proposed course of action. Communities are not homogenous and do not equally engage in adaptation processes despite the fact they may be facing similar levels of risk. A range of different factors may influence the quantum of people who engage. For example, areas with a high proportion of businesses/employed people and renters may feel they don't have as much invested in the area as permanent residents, so do not provide feedback. Any new process or legislation should set out minimum standards or thresholds for engagement, and best practice

engagement methodologies to ensure this issue does not present robustness challenges/litigation costs for local authorities.

4. Question 4 - Are there other issues that limit our ability to retreat in advance of a disaster? How can we improve our approach?

4.1. Yes. Moral hazard is a good example. There is an enduring view that risks are (and can continue to be) exclusively managed by engineering solutions. This promotes the accumulation of assets within areas that would otherwise be subject to natural hazard risk. However, these engineering solutions do not address all risks that are anticipated or those that are likely to be exacerbated by climate change.

5. Question 5

Are there other issues with the way we fund adaptation? How can we improve our approach?

5.1. The affordability challenges section must also recognise the availability of funding and debt ceilings for local authorities. This already presents considerable funding challenges for many local authorities, including QLDC, even in the absence of managed retreat funding programmes.

5.2. A fund like that administered by ACC or EQC could be an effective solution. Such a fund could be paid into by everyone in order to provide centralised assistance for managed retreat processes. This fund should be available to local authorities to undertake comprehensive risk assessments where a significant risk is likely to be present and to help communities through the entire retreat process.

5.3. QLDC recommends that global best practice examples should be carefully considered given the global application of managed retreat in response to climate change. This will be an emerging area of research, theory and practice which Aotearoa New Zealand should fully participate in.

5.4. The application of any funding model needs to be regularly reviewed to ensure its efficiency and effectiveness.

5.5. Table 2 of the MfE issues and options discussion document identifies affordability challenges and suggests that managed retreat is '*a particular challenge for communities with a low average income*'⁸. It is accepted that socio-economic circumstances present significant challenges for managed retreat, however, it is also acknowledged that this affordability challenge is likely to exist across all aspects of a community. The costs are such that high income areas will also be subject to affordability challenges. Queenstown Lakes District has a very diverse socio-economic make-up that needs to be taken into account.

6. Question 6

What do you think the costs are of a failure to adapt or failure to adapt well?

6.1. QLDC considers the following costs are relevant:

- Loss of life
- Loss of property

⁸ Page 19 of the MfE issues and options discussion document

- Loss of infrastructure and services
- Intergenerational loss of wellbeing (social, economic, cultural and environmental)
- Loss of recreational opportunities as national parks and coastlines become damaged and inaccessible
- Loss of biodiversity as indigenous habitats are destroyed and cannot rehabilitate
- Loss of governance integrity across all levels of government (local, regional and central)
- National economic crisis
- Loss of critical infrastructure
- Poor outcomes for NZ Inc., i.e. reputation as clean and green, a good place to live and visit.

7. Question 7

What does a te Tiriti-based approach to adaptation mean to you?

- 7.1. QLDC considers that te Tiriti should play an important role in any risk assessment framework and managed retreat decision-making process.
- 7.2. QLDC requests that further details be provided on how local authorities, iwi and hapū will be supported in delivering a te Tiriti-based approach, i.e. support in understanding and applying te Ao Māori, and increasing capacity and capability to ensure robust engagement processes.

8. Question 8

What does a local mātauranga-based framework for risk assessment look like to you?

- 8.1. QLDC considers that mātauranga should play an important role in any risk assessment framework and managed retreat decision-making process.
- 8.2. However, it should be noted that current risk assessment frameworks are highly westernised, and complementary methods will therefore need to be established by central government if mātauranga is to be genuinely incorporated. Consultant geotechnical/risk assessment experts should not be left to add this important additional dimension to existing western concepts on an ad hoc basis or without iwi and hapū input.
- 8.3. QLDC also notes there are good opportunities to improve the way mātauranga is incorporated into risk assessment frameworks as methodologies are currently absent or only just emerging for a range of hazard types (i.e., liquefaction, fire risk etc.).
- 8.4. Paragraph 81 of the issues and options discussion document sets out possible approaches to incorporating te ao Māori and local mātauranga Māori in risk assessments. QLDC makes the following comments in regard to these approaches:
- QLDC strongly supports the following reference - *'national direction or guidance is issued on including te ao Māori and local mātauranga Māori in risk assessments'*.
 - In regard to the following reference *'no national direction or guidance is issued, but councils partner with iwi, hapū and Māori communities at place to develop and carry out risk assessments, with consideration of local mātauranga and te ao Māori'* QLDC notes that partnership is already expected and that many local authorities already engage with iwi and hapū on natural hazard decision-making processes.
 - QLDC strongly opposes the following approach - *'no national direction or guidance is issued'*.

- In regard to the following reference - *'regional planning committees under new resource management legislation issue direction or guidance for developing risk assessments, and then local iwi and hapū could develop specific risk assessments with councils in their rohe'*. QLDC sees potential risks in this approach. In particular, it may result in ad hoc and variable approaches to risk assessments which may not assist iwi and hapū (or other supporting practitioners) that may need to act across multiple 'committee' areas. This approach would also appear to cut across the need for a nationally consistent approach to risk assessments. It would be preferable for iwi and hapū to have early involvement in the design of risk assessment and decision-making processes at a regional or national level to ensure any framework provides the flexibility necessary to genuinely give effect to their values and aspirations at a local level.
- In regard to the following reference - *'local iwi or hapū leading the risk assessment process for whenua Māori or culturally important areas'*. QLDC considers that it is critically important for local iwi and hapū to be closely involved in decision-making processes that impact whenua Māori (and other land). However, iwi and hapū must be suitably supported to ensure they have the capacity and capability to undertake such processes. It is requested that more clarity be provided around the role of local authorities in any iwi and hapū led model.

8.5. QLDC considers that governance structures, partnership arrangements or models must be established to ensure genuine and effective incorporation of mātauranga. This may include national direction comprising a model terms of reference.

9. Question 9

What innovative approaches to adaptation planning do you have with your own hāpori?

- 9.1. Paragraph 87 of the issues and options report states that *'a te Tiriti-based approach to local adaptation planning means... iwi, hapū, Māori landowners and Māori communities are involved, as they choose, throughout the planning process'*. Paragraph 88 goes on to state that *'Several approaches could ensure each iwi, hapū and Māori community is able to determine their own participation in the local adaptation planning process'*.
- 9.2. QLDC has some concerns that iwi, hapū, Māori landowners and Māori communities who choose not to be involved or provide limited input into adaptation planning may experience significant unintended social, economic and cultural impacts. The first requirement should be for advisers and decision makers to ensure that all community values and priorities are accounted for. A process may not be able to pass robustness tests or may be subject to litigation risk if it does not appropriately consider the view of the communities it directly impacts. If iwi, hapū, Māori landowners and Māori communities were able to opt out of adaptation planning, guidance needs to be provided to local authority decision makers about how to best respond.
- 9.3. Paragraph 91 states that another approach could involve *'devolving decision-making powers over their whenua to iwi and hapū'*. QLDC supports the development of innovative approaches to ensure genuine te Tiriti inclusion in adaptation planning and risk assessments. However, further clarification is sought on the role of local authorities in cases where decision-making powers could be devolved in the manner suggested.

10. Question 10

How can we manage overlapping interests during adaptation planning, including where there is a conflict?

10.1. The key starting point is nationally consistent direction that helps with risk assessment prioritisation and clear roles and responsibilities. This submission has recommended that a centralised agency be created and play a key role in managing mediation, appeal and other litigation processes to ensure effective and efficient decision-making.

11. Question 11

What is your perspective on the Crown's te Tiriti obligations to support community-led retreat? Are there existing examples of what that should or should not look like?

11.1. QLDC considers that the Crown's te Tiriti obligations should be a central consideration in developing risk assessment frameworks and managed retreat decision-making processes.

11.2. Paragraph 94 of the issues and options document states that key considerations for a te Tiriti based approach include 'developing *packages to support relocation of cultural assets such as marae, whare and taonga associated with the marae*'. QLDC considers that cultural assets require special consideration in any risk assessment framework and managed retreat process, and requests clear guidance on how they should be taken into account. However, it is not clear how taonga or other contextually embedded and/or intangible cultural assets could be subject to managed retreat.

11.3. Paragraph 94 suggests that a further key consideration could include '*providing navigators to assist Māori landowners and communities through the retreat process*'. QLDC supports this approach and sees that it would bring considerable advantages and opportunities in developing robust and enduring risk assessment frameworks and managed retreat decision-making processes.

11.4. Paragraph 95 of the issues and options discussion document states that '*The ownership of Māori land should not be affected*' by managed retreat processes. While QLDC acknowledges that Māori land ownership must be very carefully navigated, this appears somewhat paradoxical given that managed retreat (currently) involves managing existing use rights. QLDC is concerned that this approach may result in inequities for iwi and hapū as it would leave them with land that cannot be materially developed or would remain subject to high levels of natural hazard risk.

12. Question 12

What funding approaches have worked for your own iwi, hapū and hāpori?

12.1. Paragraph 101 of the issues and options discussion document identifies '*the possibility of creating an adaptation fund specific to iwi, hapū and Māori (covering retreat and other adaptation actions)*.' QLDC supports the creation of such a fund and seeks further clarification of how it could be allocated and applied.

12.2. The document goes on to suggest that successful adaptation for Māori involves '*adequately support and resource Māori participation*' and could be achieved by '*providing navigators to assist Māori landowners*

and communities through the process⁹. QLDC supports methods of ensuring successful and enduring processes that benefit Māori.

12.3. Further clarification is sought on the role of local authorities in these various approaches.

13. Question 13

How many stages do you think are needed for risk assessment and what scale is appropriate for each of those stages?

13.1. A good example of the sequence of events required for risk assessments can be found in the Otago Regional Council (**ORC**) Proposed Regional Policy Statement (**PRPS**)¹⁰. The ORC PRPS is currently under development and has been subject to substantial evidence exchange processes and public hearings. Hearing panel recommendations are yet to be released at the time of preparing this submission. QLDC has been party to this evidence exchange process.

13.2. The following steps are set out in the PRPS:

1. Identify areas where natural hazards may adversely affect people, communities and property.
2. Within areas identified as being subject to hazards, assess natural hazard risk by determining a range of natural hazard event scenarios and their potential consequences in accordance with the criteria set out within Appendix 6 (APP6 – Methodology for natural hazard risk assessment) of the PRPS.
3. Implement the specified actions to reduce or managed natural hazard risk where it is significant or tolerable.

13.3. The full process is not replicated in this submission, however, a key feature is its collaborative nature which includes local authorities working to assess risk across their region by consulting with communities, stakeholders and partners (Kāi Tahu), including with local authorities in neighbouring regions regarding risk level thresholds (see response to Question 15 below regarding risk thresholds).

13.4. The PRPS process includes a qualitative and quantitative pathway. The qualitative path is undertaken in the first instance and defines risks as acceptable, tolerable or significant using a likelihood and consequence matrix. The assessment proceeds to a more robust quantitative assessment if the qualitative pathway identifies a higher level of risk.

13.5. Paragraph 114 of the issues and options discussion document identifies five opportunities from the Expert Working Group on Managed Retreat to improve our approach to risk assessment. QLDC supports the direction of these recommendations and, on the whole, considers they would support robust risk assessment processes. However, QLDC challenges the Expert Working Group's recommendation for separate legislation to manage this topic. It would be unusual to have separate legislation in the context of other national issues addressed by way of the RMA (such as urban development, biodiversity, water etc). QLDC agrees with MfE's position at paragraph 116 of the issues and options discussion document that *'Risk assessments to support local adaptation planning need to work well with the resource*

⁹ Para 102 of the MfE issues and options discussion document

¹⁰ ORC PRPS, APP6 – Methodology for natural hazard risk assessment <https://www.orc.govt.nz/media/13895/2023-02-24-porps-supplementary-evidence-version.pdf>

management system, council planning processes and our emergency management system'. There is a risk that separate legislation will not support the integrated approach that is needed.

- 13.6. Paragraph 125 of the issues and options discussion document suggests that *'more detailed and granular risk assessments at the street or property scale may take place during the subsequent local adaptation planning process*'. While secondary more granular risk assessments have the benefit refining assessments of a greater scale, a clear national framework needs to be established to support the implementation of such a process, including details on roles and responsibilities. Currently, this takes place on an ad hoc basis via resource consents. QLDC considers that this process should not be replicated in any new system. Local authorities should not be expected to conduct risk assessments at property or street levels (assuming an urban context). This is not likely to be a good use of resources.

14. Question 14

How frequently should a risk assessment be reviewed?

- 14.1. Risk is not static and any risk assessment framework and/or managed retreat decision-making processes must recognise this. However, current resource management decision-making process and plans are not flexible enough to efficiently or effectively respond to the dynamic nature of risk profiles. More responsive resource management frameworks and plans must be developed.
- 14.2. Central and local authorities (primarily regional councils) should be required to undertake ongoing research on the identification of natural hazard risk and amend natural hazard registers, databases, regional plans and/or district plans as required.
- 14.3. Any existing risk assessments should be required to be reviewed immediately following any relevant hazard event to test its modelling assumptions.
- 14.4. Currently, city, district and regional plans are required to be reviewed once every 10 years. However, review processes across different authorities are often not aligned. Natural hazards planning across regions should be required to occur in tandem and at least once every 10 years, or when materially new information comes to hand which triggers the need for reconsideration of existing risk assessments.
- 14.5. QLDC acknowledges that it does not have in house risk assessment or geotechnical experts and is open to considering expert advice on how often risk assessments should be reviewed.

15. Question 15

What do you think makes a risk tolerable or intolerable (i.e., acceptable or unacceptable)?

- 15.1. The issues and options discussion document provides the following definition of 'risk tolerance':

*'refers to the extent to which we are willing to accept risks to the things we value (such as health, environment, economy, buildings and infrastructure), and helps us decide how to manage the potential impacts of a natural hazard on those things.'*¹¹

¹¹ Page 33 of the MfE issues and options discussion document

15.2. QLDC agrees that tolerability is defined by value judgements that people and communities place on the things that matter to them, and the degree to which they are willing to have these values impacted by natural hazard events – after taking into account the likelihood (how often events take place) and consequences (the scale of impacts from hazard events) of natural hazards. Critically, these value judgements need to be informed by the best available information on likelihood and consequences.

15.3. However, QLDC considers that the document doesn't go far enough in regard to contextualising tolerability and how it would be applied within decision-making processes. QLDC recommends that MfE provides definitions of tolerable and intolerable risk to reduce the ambiguity that exists around these terms and to enable local authorities to take action. The terms must be fixed and quantified. A good example of more meaningful definitions can be found in the ORC PRPS. The PRPS establishes tolerability thresholds for new and existing development centred around Annual Individual Fatality Risk (**AIFR**)¹² and Annual Property Risk (**APR**)¹³ methodologies:

'Assign the risk level Implementing a first-past-the-post principle for the AIFR and APR:

(a) for areas of new development where the greatest AIFR or APR is:

(i) less than 1×10^{-6} per year, the risk is re-categorised as acceptable,

(ii) between 1×10^{-6} and 1×10^{-5} per year, the risk is re-categorised as tolerable, or

(iii) greater than 1×10^{-5} per year, the risk is re-categorised as significant.

(b) for areas with existing development, where the greatest AIFR or APR is:

(i) less than 1×10^{-5} per year, the risk is re-categorised as acceptable;

(ii) between 1×10^{-5} and 1×10^{-4} per year, the risk is re-categorised as tolerable; or

(iii) greater than 1×10^{-4} per year, the risk is re-categorised as significant.¹⁴

15.4. These thresholds are an interim measure which do not preclude the need for community consultation to inform what types of likelihood and consequences constitute acceptable, tolerable or significant risk, but they do set up specific responses that will need to be undertaken in response to the different types of identified risks.

15.5. This approach is strongly supported and should be applied nationally, as it provides an appropriate level of rigour concerning assessment methodologies and removes the ambiguity local authorities currently experience and its associated litigation risk. Further, it provides all parties with the certainty necessary to undertake long term planning.

15.6. The PRPS sets out that the following actions are required in response to identified tolerability thresholds:

- For new activities¹⁵:
 - significant risk – new activities are avoided
 - tolerable risk – the level of risk is managed so that it does not exceed tolerable levels
 - acceptable risk – maintain the level of risk

¹² Annual probability that an individual most at risk is killed in any one year as a result of the hazards occurring

¹³ Annual probability of total property loss (relating to permanent structures) as a result of the hazards occurring

¹⁴ Step 4 of APP6 – Methodology for natural hazard risk assessment

¹⁵ PRPS, Policy HAZ-NH-P3 – New activities

- For existing activities¹⁶:
 - risk is to be reduced to a tolerable or acceptable level by a number of methods, among which includes managing existing land uses activities within areas of significant risk.

15.7. QLDC generally supports the PRPS risk management approach.

15.8. However, it is noted that the insurance market is currently able to set its own tolerability thresholds which determine how willing it is to take on the risks that its clients are subject to. These decisions directly impact community wellbeing. QLDC acknowledges that the creation of outcomes and standards that do not entirely match tolerability tests set by the insurance market may be problematic. As such, it is important that some alignment is achieved with external commercial tests.

16. Question 16

Do you think local risk assessments should be carried out or reviewed by a centralised agency or a local organisation? Why?

16.1. QLDC does not agree that it is necessary for all risk assessments to be undertaken by a centralised agency. However, QLDC does see considerable benefits to the establishment of a centralised risk assessment/managed retreat agency with the following functions:

- Establish and administer an ACC or EQC type managed retreat fund (as discussed earlier in this submission).
- Establish nationally consistent standards and methodologies for risk assessment and managed retreat processes that must be followed by any person or entity undertaking a risk assessment.
- Undertake peer reviews of regional or local risk assessment processes and options to reduce local authority costs and litigation risks.
- Administer litigation, mediation and appeal rights on resource management decisions relating to natural hazards and managed retreat.

17. Question 17

Should risk assessments be carried out only by technical experts or should other people also have a role? What role should other people and organisations have?

17.1. QLDC considers that technical experts play a significant role in ensuring the robustness of advice that underpins natural hazard decision-making. Risk assessment processes are highly complex and require considerable technical inputs. QLDC supports the establishment of criteria to ensure those undertaking risk assessments are suitably qualified.

17.2. It is not clear what is meant by '*other people*' in this question and more detail is required to answer this question in full. A range of other people will have important inputs throughout the wider risk assessment and decision-making process.

¹⁶ PRPS Policy HAZ-NH-P4 – Existing activities

18. Question 18

Do you think there should be a requirement to undertake local adaptation planning? If so, should the trigger be based on the level of risk or something else?

- 18.1. QLDC supports a requirement to undertake local adaptation planning and notes that local authorities are already making good progress in responding to a range of identified natural hazard risks. Any such requirements must be well supported by national direction and be informed by learnings from existing local adaptation processes.
- 18.2. Methods for prioritising adaptation planning are key as there will be multiple competing projects. In the first instance, risk levels should be the primary trigger (i.e. areas subject to significant levels of risk). However, it is noted that existing risk assessments may not fit well with te Ao Māori.

19. Question 19

What direction should central government provide on the local adaptation planning process?

- 19.1. Paragraph 151 of the issues and options discussion document identifies a range of matters that central government could provide direction on. QLDC strongly supports direction on all of the identified matters.
- 19.2. QLDC agrees that achieving a balance between direction and flexibility is complex. It is considered that any direction should prioritise process consistency, certainty and aim to lessen the burden of litigation across a range of actors. It should not remove the capacity for local authorities and their communities to run their own first instance decision-making processes (mediation, appeals or litigation would form second instance decisions).

20. Question 20

Do you think there should be a requirement to plan for different scenarios, such as changes in the level of risk or what happens if there is a disaster? Why or why not?

- 20.1. It is QLDCs preference that any risk assessment framework and managed retreat decision-making process provide as much certainty for as long as possible. To achieve this, multiple scenarios need to be considered. In any case, risk assessments implicitly need to consider a range of different hazard scenarios (small, moderate and large) to be suitably robust, including the impact of climate change. As such, there is little choice in the matter. Certainty is needed to ensure landowners and local authorities alike can make good long term investment decisions. Ideally, decisions should only be amended in response to specific triggers and/or at a specified review period.
- 20.2. It is preferable that the lifetime of an adaptation plan or decision be reviewed more frequently and amended proactively, as opposed to being amended on an ad hoc reactive basis.
- 20.3. QLDC considers it appropriate that plans and risk assessments be required to consider the impacts of hazard events as soon as possible after they take place. These events provide important data to refine existing knowledge and test modelled assumptions. This may trigger different adaptation responses if justified.

21. Question 21

How can we make sure that local adaptation planning is inclusive and draws on community views?

- 21.1. Robustly identifying and understanding the nature of affected communities is a critical first step to ensure effective engagement. QLDC's work on managing natural hazard risk across Brewery Creek and Reavers Lane was informed by a thorough socio-economic assessment¹⁷. This assisted QLDC in creating engagement processes with a depth and breadth appropriate to the community.
- 21.2. In QLDCs experience, a successful engagement process for the Brewery Creek and Reavers Lane community was underpinned by the following principles: valid process, valid interpretation of feedback, and valid and transparent integration of feedback into recommendations.
- 21.3. In order to achieve this, QLDC sought to undertake engagement which achieved the following:
 - concise, clear information,
 - timely information – enough time for people to digest information and form an opinion.
 - transparency – share information with those affected when we have it, and
 - compassion.
- 21.4. QLDCs reporting on the Brewery Creek and Reavers Lane was supported by an expert external natural hazard engagement facilitator. The engagement process and reporting are available online¹⁸.
- 21.5. The nature and scale of information that is communicated will determine the robustness of engagement processes. National risk engagement standards should be established to ensure equitable access to information and decision-making processes.

22. Question 22

Who do you think should make decisions about the adaptation pathway we choose and why? How should others be involved in the process?

- 22.1. Decision-making requires a partnership approach between local authorities, communities, iwi and hapū, businesses and infrastructure providers. These decision-making roles and responsibilities must be made very clear in any new framework.
- 22.2. Currently, local authority elected members are responsible for making final decisions about land use management based on the advice of council officers and other technical experts. QLDC does not see an immediate need to change this decision-making process, so long as any new framework delivers the key outcomes sought within this submission (i.e., clear national direction and robust risk assessment processes).

¹⁷ Gorge Road Hazards Social and Economic Impacts Report
<https://letstalk.qldc.govt.nz/45316/widgets/288567/documents/214385>

¹⁸ QLDC: Public engagement on risk for Brewery Creek and Reavers Lane Summary of consultation process and findings – March 2022
<https://letstalk.qldc.govt.nz/45316/widgets/288567/documents/231363>

22.3. As noted above, QLDC supports the creation of a centralised agency with the specified functions. These functions would reduce decision-making fatigue and litigation risk experienced by local authority decision makers.

22.4. QLDC supports the development of a decision-making framework which reduces reliance on appeal processes, particularly the Environment Court. Appeal rights should be mediated by a centralised agency. Currently, resource management appeal processes create significant time delays, impose considerable costs on local authorities and create uncertainty for all actors.

22.5. QLDC submits that the following decision-making steps could be applied in the case of significant risk where managed retreat is being proposed:

1. Technical experts undertake risk assessments based on national methods
2. These risk assessments are peer reviewed by a centralised national agency
3. Issues and options are developed by local authorities based on a set of national response pathways for significant, tolerable and acceptable levels of risk
4. Local authorities lead engagement processes based on a set of national engagement methods
5. Final option(s) are developed based on technical evidence and community engagement
6. Local authority elected members endorse the final option(s)
7. The final option(s) are submitted for peer review to a centralised national agency
8. Local authorities and affected communities respond to the centralised national agency peer review
9. Appeals are only allowed on anything not recommended by the national peer review body
10. Appeals considered by the Minister for the Environment. No mediation process or hearing is required
11. Minister for the Environment makes final decision - no further appeal rights
12. Implementation of option(s)

22.6. QLDC considers that each step should have a specified time limit to ensure certainty and timely decision-making.

23. Question 23

What do you think are the most important outcomes and principles for community-led retreat?

23.1. Table 7 of the issues and options discussion document identifies a range outcomes and principles. QLDC supports all of the identified outcomes and principles, with the exception of the reference to increasing psychological safety. This addition is unclear and could lead to moral hazard. Physical safety should be the priority, although QLDC acknowledges that mental health and social wellbeing is an important part of the decision-making process.

24. Question 24

Do you prefer option 1 (voluntary) or option 2 (a mix of voluntary and mandatory parts)? Are there any other options?

24.1. QLDC prefers option 2.

25. Question 25

Do you agree that affected land should no longer be used at the end of a retreat process (with limited exceptions for things like ceremonial events, recreation, some agricultural or horticultural uses and mahinga kai gathering)? Why or why not?

- 25.1. QLDC agrees that the subject land should no longer be used. In particular, it is considered that vulnerable activities should be prohibited on the land (i.e., residential, education or healthcare type uses, among others).
- 25.2. QLDC agrees that 'limited exceptions' should be provided for non-vulnerable activities. However, caution needs to be applied in the consideration of any 'limited exceptions' to ensure risk does not exceed tolerable levels. This requires any risk assessment to specifically consider and define appropriate 'limited exceptions'.
- 25.3. It is noted that other benefits could be gained from the subject land aside from being occupied by people and property. For example, biodiversity values could be enhanced or restored, and natural hazard buffers could be established for adjoining lower risk areas.

26. Question 26

Do you think there should be any other exceptions? If so, what, and why?

- 26.1. As noted above, any exceptions should be informed by the risk assessment process to ensure risk does not exceed tolerable levels.

27. Question 27

Do you agree that these powers are needed to ensure land is no longer used once a decision has been made to retreat? What powers do you consider are needed?

- 27.1. Table 8 of the issues and options discussion document identifies '*powers to ensure land is no longer used*', and paragraph 190 sets out that the compulsory acquisition of land or a power to retire land by cancelling its title may also be required.
- 27.2. QLDC agrees that the identified powers will be required to ensure managed retreat can take place.
- 27.3. As noted elsewhere in this submission, a centralised agency should be established to guide and peer review decision-making processes that require the application of these powers.
- 27.4. In addition, local authorities need to be empowered to robustly manage any 'limited exceptions' that may be considered appropriate for non-vulnerable activities. This may include imposing highly restrictive conditions on any associated resource consent, and powers that provide local authorities to unilaterally review and amend conditions in order to respond to new risk information.
- 27.5. It is critical that the final ownership arrangements of land that has been retreated from be more clearly articulated ahead of the finalisation of any managed retreat framework. It is not clear if the subject land will be transferred to some form of public ownership, and if so, which authority will become responsible for the land.

28. Question 28

What do you think the threshold or trigger should be for withdrawing services once a decision has been made to retreat?

28.1. QLDC considers two options are relevant:

1. A proactive withdrawal – When a risk assessment and managed retreat decision-making process has been followed, and the people or businesses which rely on the subject services have retreated.
2. A reactive withdrawal - When/if the services are so severely damaged by a hazard event that they cannot be repaired, or it is not cost effective to repair them. In this case, the services are unlikely to be needed as the activities relying on them will also be destroyed and irreparable.

29. Question 29

In what circumstances, if any, do you think decision-makers should be protected from liability? What are your views on option A¹⁹, option B²⁰ or any other possible option?

29.1. QLDC prefers option A. It is considered that option A would work well if there were robust nationally consistent risk assessments and managed retreat decision-making processes.

29.2. Option A or option B would complement QLDCs suggested decision-making process as it wouldn't rely heavily on litigation. Ultimately, a robust process would reduce the need or reliance on such protections.

29.3. Overall, QLDC acknowledges that decision makers should be subject to scrutiny on decisions that have such wide-ranging consequences, however, if designed well, the decision-making framework should contain in-built scrutiny.

30. Question 30

Which parts of the current system work well and which do not? Are there any other issues with our current approach to adaptation funding?

30.1. The current system requires robust information gathering activities, although this is likely to be a function of a lack of information, data and litigation risks.

30.2. A lack of success under the current arrangements is illustrated by the very limited number of examples of proactive retreat across Aotearoa New Zealand.

30.3. Paragraphs 236 – 239 of the issues and options discussion document addresses the matter of *'Government funding can also lead to unintended outcomes'* including, *'Providing government funding for adaptation may reduce the incentives for councils and asset owners to mitigate risks themselves'*. QLDC disagrees with this statement and notes that local authorities and communities have more at

¹⁹ Exclusion from all liability where decision-makers act in good faith

²⁰ Exclusion from all liability where decisions-makers act in good faith, except in circumstances of failure to act or misfeasance (the performance of a lawful action in an illegal or improper manner)

stake than the cost of managed retreat, but the wider social, economic, cultural and environmental wellbeing of its communities, as required under section 3 of the Local Government Act 2002.

31. Question 31

What do you think are the most important outcomes and principles for funding adaptation?

31.1. Of those identified in Table 11 of the issues and options discussion document, QLDC considers the following to be of greater importance:

- Outcomes - all are critical, however the reference to shifting investment from post-event to pre-event adaptation would be considered of greatest importance.
- Principles - QLDC considers that all have equal importance, however, the reference to minimising perverse incentives is considered the least important.

31.2. QLDC notes that the principle in Table 11 which states '*ensure those who benefit contribute to costs*' is fraught. In most cases it is likely to be the wider community that benefits from proactive risk management. In the case of the QLD, it is argued that all of Aotearoa New Zealand benefits from a strong and resilient tourism industry (of which Queenstown is a central part). The complexity surrounding the distribution of benefits needs to be carefully navigated.

31.3. QLDC considers that the costs of funding adaptation are widely borne and need to be well spread to ensure equitable outcomes.

32. Question 32

In what circumstances (if any) do you think ratepayers and taxpayers should help people pay for the costs of adaptation?

32.1. QLDC considers there is a strong case to assist with the costs of adaptation across the board. However, assistance should be prioritised when managed retreat is required to avoid significant risks.

32.2. It is possible that a centralised agency (with the functions outlined elsewhere in this submission) take on the role of independently assessing the costs and benefits of retreat and how funding should be managed.

32.3. The costs and benefits of retreat and how long-term value is distributed across a community (or wider) should be considered as a key component of all managed retreat decision-making process. In the case of the QLD, there may be a case that (due to districts significant contribution to the national economy through tourism) that the benefits of managed retreat extend well outside of the district. Therefore, this could be a reason to draw on a different source of funding.

32.4. QLDC acknowledges the challenges faced by isolated communities who may need a wider support base to fund retreat without the long-term cost benefits stacking up. Ultimately, this is a highly complex decision-making process, and it is difficult to understand how a one size fits all approach would work well.

33. Question 33

In what circumstances should central government help councils to meet adaptation costs?

- 33.1. Paragraph 251 of the issues and options discussion document states that *'central government might need to develop methods based on average income, population density, debt levels and risk exposure'*. It is not clear what is meant by 'average income' in this context – is it the average income of residents, businesses or local authorities? QLDC cautions against the use of average income as a tool to determine funding support for managed retreat, particularly in the absence of additional information on the specific methodology to be applied.
- 33.2. Paragraph 252 of the issues and options discussion document suggests three examples of where central government might have specific responsibilities. QLDC agrees that central government has responsibilities in regard to 'treaty commitments' and 'national benefits'. However, the reference to 'overwhelming scale' is fraught given that the scale of many potential managed retreat scenarios is likely to be 'overwhelming'. More context or thresholds are needed to support this aspect.
- 33.3. As noted elsewhere, QLDC supports the identification of 'national benefits' as a scenario where central government might have specific responsibilities.
- 33.4. It is noted that QLDC's largest source of revenue is rates, and it faces challenges avoiding its debt ceiling. The district is a high growth area, with a small rating base, a disproportionately high number of visitors, and has experienced numerous unexpected funding reallocations (i.e. weather tightness claims) which has impacted debt. These matters should be taken into account when central government considers how to help local authorities meet adaptation costs.
- 33.5. Other matters that should be considered include a local authorities' technical capability or capacity to successfully implement managed retreat noting that some authorities have variable access to such resources.

34. Question 34

What are the benefits and challenges of providing financial support to people needing to retreat?

- 34.1. Paragraph 255 of the issues and options discussion document sets out that *'a well-designed permanent scheme may help to target or provide timely support to those most in need'*. QLDC acknowledges the wide range of inequities that need to be addressed by any managed retreat funding mechanism. However, QLDC requests that any reference to 'those most in need' should be very clearly qualified at a national level. In the case of managed retreat, it is likely that a significant range of people and communities across the socio-economic spectrum are likely to require assistance given that it will impact a household's largest (and often their only) asset, being their dwelling.
- 34.2. Paragraph 259 of the issues and options discussion document identifies several ways central government could approach funding for managed retreat:
- QLDC does not support 'approach 1 – status quo' as this has not been shown to be effective.
 - QLDC supports in principle 'approach 2 – low level of support' on the basis that it represents an improvement of the current situation. However, QLDC anticipates that a low level of support based on a *'hardship criteria'* may result in a large number of people and communities facing a lack of support, or support needing to be provided from alternative sources. QLDC requests further details on how this approach would be applied and what would constitute a hardship criteria.

- QLDC prefers 'approach 3 – like for like payment' over option 2, although it is acknowledged that this approach is likely to impose considerable costs, and that these costs may result in re-prioritisation of government expenditure. Such a re-prioritisation may be appropriate given the long-term costs to government as a result of inaction. This analysis needs to be undertaken before committing to approach 3. QLDC considers that such an approach may need to be time limited and respond only to existing development. It should exclude new development from a specified date if a risk is known to be significant.

35. Question 35

Are there any other approaches for providing support to people needing to retreat that we should consider?

- 35.1. QLDC considers that mental health and/or social support must be packaged into any wider funding approach to ensure affected communities are equipped to navigate the challenges of managed retreat processes.
- 35.2. QLDC notes that affected communities are likely to face complexities that extend beyond the retreat process, in particular, challenges finding a safe place to retreat to. Any managed retreat framework should look to provide support beyond the immediate action of retreat. In the QLD, many families and businesses already face difficulties in finding homes to rent or buy, and spaces to operate their businesses. It is not clear which entities will be tasked with providing this wider support framework. While local authorities would play an important role, they are likely to need assistance in determining how and where to accommodate communities subject to managed retreat, particularly where entire social and economic clusters are disrupted.

36. Question 36

What are the benefits and challenges of providing financial support to businesses needing to retreat?

- 36.1. QLDC supports an approach that includes financial support for businesses. However, the issues and options discussion document has not well traversed the options available. QLDC considers that businesses support requires separate and complete analysis to ensure it is effective and efficient.
- 36.2. Businesses often have dispersed operations and assets, some (or all) of which may be subject to significant risk and managed retreat proposals. The unique characteristics of each business will need to be carefully considered in any support mechanism.
- 36.3. In the case of QLDCs Brewery Creek and Reavers Lane scenario, single businesses are spread across multiple levels of risk that require a range of different responses. While no specific action has been approved by decision makers, detailed analysis needs to be undertaken to consider how (or if) any compensation scheme could address parts of business that are impacted and/or parts that are not. National direction is needed to assist local authorities manage these complexities.

37. Question 37

What should central government's initial funding priorities be and why? Which priorities are the most important and why?

37.1. QLDC considers that initial funding priorities should focus on significant risks to existing vulnerable activities, business and infrastructure.

37.2. Table 12 of the issues and options discussion document identifies '*Possible initial priorities for government adaptation funding*'. The following points reflect on the contents of Table 12.

- At the 'property level':
 - QLDC cautions against an overreliance on 'lease-backs' which are understood to enable people and property (possibly at a community scale) to continue occupying areas of significant risk. Any such lease backs should be time bound and incentivise retreat as soon as possible.
 - Table 12 suggests that 'primary places of residence' could be prioritised. QLDC notes that a large proportion of the QLD population occupies rental properties, which they may not own, but is their primary residence. It is not clear if such situations constitute a primary place of residence and how/if both the tenant and landlord would be supported.
 - A large number of dwellings in the QLD are used for short term visitor accommodation and it is not clear how this large portion properties would be treated.
- Regarding 'home resilience funding':
 - QLDC questions the efficiency and effectiveness of home-by-home ad hoc resilience efforts. This is likely to imbed inconsistencies into risk management and externalise hazard effects by channelling them elsewhere (possibly to neighbouring properties or communities).
- Regarding 'flood resilience infrastructure and nature-based solutions':
 - Aotearoa New Zealand has traditionally focused its natural hazard management on flooding. There are a range of other hazard types that need to be addressed. This priority should not relate exclusively to flooding.
- Iwi, hapū and Māori adaptation fund:
 - QLDC supports in principle prioritising Iwi, hapū and Māori adaptation processes. As outlined elsewhere in this submission, more clarity is sought on how Iwi, hapū and Māori will be supported and how local authorities will be involved in associated risk assessment and managed retreat decision-making processes.

37.3. QLDC also notes that any central government funding or financing mechanism should be reasonably agile and supported by efficient systems and processes to ensure it responds well to unexpected shocks.

38. Question 38

How could central government communicate its investment priorities? Please indicate which option you think would be most effective and explain why.

38.1. Paragraph 274 of the issues and options discussion document identifies three options. QLDC agrees that the identification of investment priorities is important to increase certainty in the overall approach for managed retreat efforts.

38.2. QLDC would prefer options 1 or 2 which link into the national adaptation plan as it would ensure alignment of adaptation activities.

38.3. Paragraph 278 notes that *'A further way that central government could provide long-term certainty would be to establish an enduring fund for adaptation, as recommended by the independent Review into the Future for Local Government and the Productivity Commission'*. QLDC strongly agrees that a centralised managed retreat or adaptation fund should be established that acts in a similar way to ACC or EQC.

39. Question 39

Should funding priorities cover councils as well as central government?

39.1. Yes. QLDC considers that local authorities should be closely engaged in the development of any investment priority or fund planning. A clear framework should be developed to ensure genuine and enduring collaboration with local authorities. This will improve long term plan development and enable council's to meaningfully craft local strategic direction.

40. Question 40

How can the banking and insurance sectors help to drive good adaptation outcomes?

40.1. Paragraph 288 of the issues and options discussion document states *'It might also be possible for the finance sector to help with investment in risk reduction measures, for example through voluntary or compulsory contribution schemes. The Government currently does not have a view on how best to achieve this and would welcome input from the sector on potential solutions'*. QLDC agrees that the role of the finance sector should be robustly explored to ensure a distributed funding strategy is achieved.

40.2. QLDC agrees that *'Disruptions to the property insurance market could affect people's ability to build and buy houses, and disruptions to the business interruption insurance market could affect business investment'*²¹. The roles and responsibilities of the banking and insurance sectors should be defined in legislation to provide the public with a degree of certainty about how they will respond to managed retreat proposals and new risk assessments.

40.3. QLDC supports any centralised agency having an advisory and oversight role regarding the actions of the banking and insurance sectors specifically relating to natural hazard risk. This could include monitoring the behaviour of the sector in providing insurance or loans for new builds/extensions in areas that have been identified as being subject to significant levels of risk.

40.4. Among other important roles and responsibilities, banking and insurance providers should have a limited or restricted capacity to unilaterally retreat from existing obligations to clients in significant risk environments. This situation is likely to result in considerable socio-economic impacts that may need to be mitigated by local and central government. QLDC considers this to be an inequitable outcome.

40.5. Currently the small developer community in the QLD is not incentivised to intensify development or build sustainable/low impact housing. They are not always able to secure funding from major lenders for projects of this nature, because the market tends to reward traditional house and section packages. Central government needs to incentivize lenders to fund progressive development ideas that align with good risk-based decision-making.

²¹ Para 289 of the MfE issues and options discussion document

41. Question 41

What solutions should be explored for funding and financing adaptation?

41.1. This submission has addressed the costs and benefits of various approaches and considers that a centralised agency be established to mediate and administer funding and financing mechanisms. Further considerable work is needed to consider the full range of detailed options available for funding and financing adaptation/managed retreat and the processes that support robust decision-making.

42. Question 42

Are there any other issues that make it difficult to adapt during a recovery?

42.1. QLDC considers that recovery or reactive based adaptation comes with considerable costs and is ultimately inefficient. This approach results in strained relationships between local authorities and their communities, and the sudden surge of action needed to respond quickly is highly disruptive for local authorities. Further, re-prioritisation of expenditure can be challenging and is likely to compromise community wellbeing in other arenas.

42.2. Infrastructure and services have not been addressed in depth. QLDC notes that local authorities are infrastructure providers, and these community assets can be subject to significant risk. Damage to infrastructure and services can make it very difficult to adapt during recovery.

42.3. In such circumstances, it is also possible that communities may be dealing with loss of life and property, adding a further layer of complexity to a reactive based adaptation approach.

43. Question 43

Do you think our approach to community-led retreat and adaptation funding should be the same before and after a disaster? Why or why not?

43.1. No. QLDC considers that the primary focus should be proactive adaptation and managed retreat. There are fundamentally different opportunities and barriers before and after a disaster.

3 November 2023

Via email biocredits@mfe.govt.nz

SUBMISSION TO MINISTRY FOR THE ENVIRONMENT ON A BIODIVERSITY CREDIT SYSTEM

Thank you for the opportunity to present Queenstown Lakes District Council's (QLDC) submission to the Ministry for the Environment (MfE/the Ministry) on the design of a biodiversity credit system (BCS).

QLDC supports the investigation of innovative approaches to address New Zealand's unique challenges related to indigenous biodiversity management. However, as with any new management framework, a key success factor is effective implementation, with sufficient funding and investment to facilitate change.

QLDC's submission builds on the following key messages:

- QLDC supports the development of a BCS for New Zealand. New Zealand's biodiversity is in decline and every effort should be made to reverse this trend.
- The systems needed to support a BCS must be effective and efficient, i.e. processes are clear and easily understood, and actions/projects are able to be considered at pace.
- A BCS should focus on all environments (terrestrial, freshwater, estuaries, and coastal marine).
- A BCS should give priority to biodiversity that is most at risk or threatened according to a centralised, single, robust source of truth which must include matauranga Māori side by side with western science. A poorly regulated BCS market could inadvertently prioritise biodiversity values not subject to a high level of risk - referred to in this submission as 'uncontrolled prioritisation'.
- The applicability of a BCS should not be determined land ownership. Biodiversity values are not determined by land ownership.
- Any BCS should be based primarily on outcomes. Positive biodiversity outcomes ultimately underly any activity or project-based approach.
- There should not be a timeframe required for credit generation. Positive biodiversity outcomes may take a considerable amount of time to eventuate.
- The system must be robustly applied through sound evaluation and monitoring.
- The inclusion of legal protections (such as covenants) within the BCS is supported where they can guarantee enduring protection of biodiversity values.
- Central government must provide adequate support to territorial authorities and regional councils to ensure efficient and effective outcomes. Existing capacity and capability constraints of consent authorities should be acknowledged in any BCS.
- Central government has the best tools, experience and regulatory mechanisms available to operate the market and it should play an important role in any BCS.

QLDC has established an independent, multidisciplinary Climate Reference Group (CRG) to assist the Council deliver its Climate and Biodiversity Plan. The CRG is made up of community leaders and climate experts who have significant knowledge and expertise on the strategic priorities for protection and restoration of indigenous biodiversity. The CRG have reviewed QLDCs submission and support the points set out below.

QLDC would like to be heard at any hearings that result from this consultation process. It should be noted that due to the timeline of the process, this submission will be ratified by full council retrospectively at the next council meeting.

Thank you again for the opportunity to comment.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Glyn Lewers', written in a cursive style.

Glyn Lewers
Mayor

A handwritten signature in black ink, appearing to be 'Mike Theelen', written in a cursive style.

Mike Theelen
Chief Executive

SUBMISSION TO MINISTRY FOR THE ENVIRONMENT ENTITY ON A BIODIVERSITY CREDIT SYSTEM

1.0 Context of the consultation topic in relation to QLDC

- 1.1 QLDC declared a climate and ecological emergency in 2019, and has released its second three-year Climate and Biodiversity Plan 2022 – 2025¹. The plan has three goals, under which sit six outcomes related to leadership, transport, built environment, communities, business, and the natural environment. The Plan sets out the following goal with regard to biodiversity - *The mauri (life force or essence) of the district's ecosystems is protected and restored. Indigenous biodiversity is regenerated*².
- 1.2 Queenstown-Lakes District (**QLD/the District**) has an average daily population of 63,930 (visitors and residents) and a peak daily population of 114,850³. The District is experiencing unprecedented growth with our population projected to double over the next 30 years.
- 1.3 This growth is partly fueled by the District's spectacular wilderness experiences, world renowned landscapes and their associated indigenous biodiversity values. As a result, the District is one of New Zealand's premier visitor destinations drawing people from all over the world.
- 1.4 Our residents and visitors seek direct engagement with these landscapes and their biodiversity values. Large areas of the District are managed by the Department of Conservation, either as national park or other form of conservation land. The district includes Mount Aspiring National Park which forms part of the Te Wahipounamu World Heritage Site. Council and privately owned land also contain a range of opportunities to engage with these environments through our more than 200 km network of trails, and commercial recreation tourism offerings⁴.
- 1.5 The District has over 2,500 hectares of Council-administered public open space encompassing sports fields, local and community parks, natural areas, public gardens, recreation and ecological linkages. Council seeks to ensure that the value of existing open spaces is recognised, enhanced and expanded to cater for growth. Many of these open spaces and reserves have high natural values and are home to a variety of ecosystems including tussock lands, wetlands, streams, riparian margins, native bush and lake foreshores. These natural areas provide habitat for indigenous biodiversity, protect wildlife corridors, provide for and protect carbon sequestration opportunities, protect ecosystem services that are essential for a healthy environment and are often home to taoka and mahika kai species⁵.
- 1.6 Some private landowners have sought to identify and preserve the remaining special biodiversity values present on their land by placing QEII covenants over large areas. The Otago region has the largest area of land located within registered QEII covenants with 64,869 Ha⁶. In 2022, 957 Ha of Remarkables Station at the base of the Remarkable Mountains was generously gifted to the QEII National Trust.

¹ https://www.qldc.govt.nz/media/ie3jk5bb/qldc_climate-and-biodiversity-plan_jun22-web.pdf

² Page 10, Climate and Biodiversity Plan 2022 – 2025

³ <https://www.qldc.govt.nz/community/population-and-demand>

⁴ Page 22, Queenstown Lakes District Parks and Open Spaces Strategy 2021

⁵ Page 6, Queenstown Lakes District Parks and Open Spaces Strategy 2021

⁶ QEII Annual Report 2022 <https://qeiinationaltrust.org.nz/publications-and-resources/annual-reports/>

- 1.7 QLDC has mapped Significant Natural Areas (**SNAs**) as part of the Proposed District Plan (**PDP**). These are maintained through the implementation of the objectives, policies, and rules in Chapter 33 (Indigenous Vegetation and Biodiversity)⁷. The PDP has identified 189 unique SNAs with a combined total area of approximately 32,815 Ha⁸. The majority of these are on privately managed land or are part of pastoral leaseholds.
- 1.8 Through its various roles and responsibilities, plans and strategies, QLDC has dedicated itself to positively contributing to various actions to ensure biodiversity identification, management and protection.

2.0 QLDC responses to consultation document questions

- 2.1 **Do you support the need for a biodiversity credit system (BCS) for New Zealand? Please give your reasons.**
- 2.1.1 Yes, QLDC supports the development of a BCS for New Zealand. QLDC recognises that New Zealand's biodiversity is in decline and every effort should be made to reverse this concerning trend. Council considers that a well-designed BCS which responds to the matters set out in this submission, would support a range of positive biodiversity outcomes.
- 2.1.2 As outlined in Section 1 of this submission, the District has a large area of public and private land which contains a range of biodiversity values. Our residents and visitors alike treasure these values, and a well-designed, carefully implemented BCS has the potential to build on and enhance the District's rich biodiversity.
- 2.1.3 The QLD Proposed District Plan (PDP) contains a range of objectives, policies and methods which recognise and provide for the District's biodiversity values. These provisions have been recently reviewed and have been the subject of much public interest and litigation. Chapter 33 (Indigenous Vegetation & Biodiversity)⁹ of the PDP contains the following key objectives:
- *The District's indigenous biodiversity is protected, maintained or enhanced*
 - *Land use and development maintains indigenous biodiversity values*
 - *Indigenous biodiversity and landscape values of alpine environments are protected from the effects of vegetation clearance and exotic tree and shrub planting*
- 2.1.4 Chapter 33 sets out the expectation that activities will result in achieve no net loss and preferably a net gain in indigenous biodiversity values, including through the use of offsets. It is considered that a BCS could compliment Chapter 33's no net loss offset outcomes.
- 2.1.5 The Jobs for Nature Programme has made significant biodiversity gains, particularly in our district, and we now have a skilled conservation workforce that is an asset to the District. There is potential for a BCS to continue to support and amplify biodiversity gains, and provide opportunities within conservation for this skilled workforce once Jobs for Nature funding ends in 2024.

⁷ <https://www.qldc.govt.nz/media/puwdbt/q/pdp-chapter-33-indigenous-vegetation-biodiversity-feb-2022.pdf>

⁸ <https://qldc.maps.arcgis.com/apps/webappviewer/index.html?id=351874446400431d87e633a304927c96>

⁹ <https://www.qldc.govt.nz/media/puwdbt/q/pdp-chapter-33-indigenous-vegetation-biodiversity-feb-2022.pdf>

2.1.6 There are many active conservation volunteer groups which QLDC supports including the Whakatipu Reforestation Trust, Whakatipu Wilding Conifer Control Group, the Whakatipu Wildlife Trust, Te Kākano Aotearoa Trust and the Southern Lakes Sanctuary who work hard to improve biodiversity values across the district.

2.1.7 At a national level, it is understood that biodiversity values are under considerable threat from a range of factors, including urban development, plant and animal pests, rural activities, and climate change. The Department of Conservation, among many other agencies are taking proactive steps to address these threats. Predator Free 2050 sets the ambitious goal to make New Zealand predator free by 2050. QLDC strongly supports this goal. The Predator Free 2050 5-year progress report¹⁰ states that 'Reaching the goal cannot be achieved by any single entity. It will require new ways of working together on a larger scale than we ever have before'. QLDC agree and considers that the development of an effective and efficient BCS will help us move towards achieving Predator Free 2050.

2.2 Below are two options for using biodiversity credits. Which do you agree with?

a) Credits should only be used to recognise positive actions to support biodiversity.

b) Credits should be used to recognise positive action to support biodiversity, and actions that avoid decreases in biodiversity.

Please answer (a) or (b) and give your reasons

2.2.1 QLDC primarily supports the use of credits for positive actions that support biodiversity (option a). Ultimately, both options a and b could support long term and sustained net gains in biodiversity across Aotearoa New Zealand provided they are backed by a robust assessment and monitoring methodology. However, care must be taken in designing a BCS to ensure the application of credits for '*actions that avoid decreases in biodiversity*' (outlined in option (b)) does not create an incentive **not** to do something as opposed to specific and proactive steps that actively create positive biodiversity outcomes (which appears to be the focus on option (a)).

2.2.2 In instances where the effects management hierarchy¹¹ is triggered, there could be benefits in allowing a developer to purchase credits for a project that meets the criteria for offsetting, as opposed to the developer having to develop, manage or maintain the offset themselves (e.g., it could be more likely to support successful biodiversity outcomes). In addition, if a programme required through offsetting was eligible for credit funding, the project itself would need to meet the standards and criteria of the BCS which would ensure better biodiversity outcomes.

2.2.3 Chapter 33 of the PDP encourages and enables biodiversity offsets to be used where the clearance of indigenous vegetation would have significant residual effects after applying the effects management hierarchy. The provisions intend for any biodiversity offset to result in 'preferably a net gain' in which case recognising actions that avoid decreases in biodiversity may be valuable and worth recognition under the BCS as it would support implementation of QLD's PDP.

¹⁰ <https://www.doc.govt.nz/globalassets/documents/conservation/threats-and-impacts/pf2050/pf2050-5-year-progress-report.pdf>

¹¹ A continuum of land use management – i.e. offsets must only be considered after avenues to avoid, remedy, or mitigate onsite have been exhausted.

2.2.4 Chapter 33 also requires any offsetting to be considered 'in a landscape context' and 'close to the location of the development'. QLDC would prefer any BCS to reflect this approach. If a BCS is used to help avoid decreases in biodiversity, it is important that it is managed carefully to ensure that biodiversity is not lost at the district-level.

2.3 Which scope do you prefer for a biodiversity credit system?

- a) Focus on terrestrial (land) environments.
 - b) Extend from (a) to freshwater and estuaries (eg, wetland, estuarine restoration).
 - c) Extend from (a) and (b) to coastal marine environments (eg, seagrass restoration).
- Please answer (a) or (b) or (c) and give your reasons.

2.3.1 QLDC considers that a BCS should focus on all environments listed above (i.e. a b and c). It is understood that threats exist across all environments, and it is not clear from the information provided why a BCS should not apply to all environments. This approach would support long standing objectives within the QLD PDP (in regard to terrestrial environments) and the wider resource management framework (in regard to freshwater, estuary and marine environments).

2.3.2 However, priority should be given to biodiversity that is most at risk or threatened according to a centralised, single, robust source of truth (i.e. Department of Conservation's 'New Zealand Threat Classification System') which must also include matauranga Māori side by side with western science. QLDC considers there to be a risk that a poorly regulated BCS market could inadvertently prioritise biodiversity values that are not subject to a high level of risk or threat. This risk is referred to throughout this submission as 'uncontrolled prioritisation'. This risk is imbedded in the 'appeal' of using well known species or environments as marketing tools. As such, the BCS must apply a method for prioritising projects based on biodiversity outcomes, as opposed to what might appear to be a more attractive investment or marketing tool.

2.3.3 Each of the listed environments are vastly different from one another. If all environments are to be subject to a BCS it is important that these differences are recognised and incorporated into any system. In particular, a range of different methodologies and technical expertise would be required to successfully implement any broad scope BCS. QLDC notes however that there is a risk that such a broad scope could compromise the operational effectiveness of a BCS.

2.3.4 A range of authorities have different roles and responsibilities across each of the environments, i.e. territorial, regional and central government agencies. Sometimes these roles and responsibilities can be duplicated. It is important that any BCS provides clear guidance on which authority has responsibilities over what aspects of any system to ensure good outcomes and an effective use of limited resources and capacity with these agencies.

2.4 Which scope do you prefer for land-based biodiversity credits?

- a) Cover all land types, including both public and private land including whenua Māori.
 - b) Be limited to certain categories of land, for example, private land (including whenua Māori).
- Please answer (a) or (b) and give your reasons

- 2.4.1 QLDC supports a BCS being used to cover all land types (including whenua Māori) (option a) regardless of ownership. Other biodiversity related legislation such as the Resource Management Act 1991 (**RMA**) and its recently notified National Policy Statement on Indigenous Biodiversity (**NPS IB**) apply to all land environments, with specific direction for Significant Natural Areas (**SNAs**) on Māori land. QLDC considers that applying the BCS to all land environments would best support positive biodiversity outcomes.
- 2.4.2 Biodiversity values are not determined by land ownership (their location) – whether on whenua Māori, public or private land. They exist despite land ownership characteristics and property boundaries, and the BCS should not predetermine which biodiversity values attract investment based on land ownership. A BCS is a market driven system that will ideally (if designed well) work well across any land ownership type and property/district/regional boundaries.
- 2.4.3 This approach may also support a greater range of biodiversity values benefiting from a BCS. Restricting the BCS according to land ownership may inadvertently result in the loss of some rare or significant biodiversity.
- 2.4.4 It is acknowledged however that certain types of public land, which have high biodiversity values, may already benefit from considerable public investment (QLDC notes that the matter of conservation funding allocation across Crown land has not been canvassed in the discussion document, and should form part of the BCS development process). A BCS should have some type of tool which recognises this level of investment to avoid some types of well supported environments ‘double dipping’ so to speak. It may be that private land and whenua Māori need the most support from a BCS, or Department of Conservation land that has high biodiversity values but there is insufficient funding for sustained pest control. Conversely, it may be appropriate for Crown land (or other private land) which already benefits from specific public funding to improve biodiversity outcomes to be excluded from a BCS. The development of any system must robustly weigh up such costs and benefits to ensure it is targeted effectively, with the best biodiversity outcomes front of mind.

2.5 Which approach do you prefer for a biodiversity credit system?

- a) Based primarily on outcome.**
- b) Based primarily on activities.**
- c) Based primarily on projects.**

Please answer approach (a) or (b) or (c) and give your reasons.

- 2.5.1 QLDC considers that any BCS should be based primarily on a clear set of outcomes (option a). Positive biodiversity outcomes will ultimately underly any activity (option b) or project (option c) based approach. An activity or project that does not achieve positive outcomes should not be subject to funding via a BCS.
- 2.5.2 It is important that a clear set of outcomes are established for each type of activity or project. The determination of what outcomes will be achieved must be supported by a robust and consistent methodology (depending on the type of environment or value being considered).
- 2.5.3 QLDC would support, in principle, a BCS based on activities or projects (such as wilding conifer control or possum control) provided our concerns raised elsewhere in this submission are addressed. In particular, a method is required for prioritising projects that receive credits to avoid market driven uncontrolled prioritisation.

2.6 Should there also be a requirement for the project or activity to apply for a specified period to generate credits?

Please answer Yes/No and give your reasons.

2.6.1 No, QLDC does not consider that there should be a timeframe required for credit generation. Some projects will require long term monitoring (and ongoing activities such as invasive weed control and trapping). Positive biodiversity outcomes may take a considerable amount of time to eventuate. It is also likely that the time needed to generate these outcomes will vary considerably from project to project. A system which is subject to specified time periods may make it difficult to attract and sustain investors. Further, as set out above, QLDC does not prefer a BCS based on projects or activities in isolation of outcomes.

2.6.2 QLDC considers that the system may be robustly applied through monitoring, conditions and possible bond provisions rather than through specified time periods. If any specified time periods were to be applied these limitations will need to be considered.

2.7 Should biodiversity credits be awarded for increasing legal protection of areas of indigenous biodiversity (eg, QEII National Trust Act 1977 covenants, Conservation Act 1987 covenants or Ngā Whenua Rāhui kawenata)?

Please answer Yes/No and give your reasons.

2.7.1 Yes, in general QLDC supports the inclusion of legal protections (such as covenants) within the BCS where they can guarantee enduring protection of biodiversity values. However, it is noted that some forms of legal protection may not guarantee positive biodiversity outcomes if they are principally passive tools (i.e. they do not require proactive improvements to the specified areas). As such, QLDC considers that qualifying legal protections should need to meet additional criteria such as ongoing maintenance, monitoring, and restoration following any identified threats or impacts (such as those that may follow an extreme weather event or hazard process). It may be possible for a BCS to award fewer credits for passive legal protection compared to legal measures that require proactive restoration efforts.

2.7.2 It is possible that a BCS that encourages the legal protection of indigenous biodiversity could promote a larger area of land entering protective status.

2.7.3 It is noted that this approach would support the implementation of QLDC's PDP which seeks long-term protection of SNAs through non-regulatory methods such as covenants.

2.8 Should biodiversity credits be able to be used to offset development impacts as part of resource management processes, provided they meet the requirements of both the BCS system and regulatory requirements?

2.8.1 A biodiversity credit should, in the first instance, contribute to reversing the current decline in biodiversity (i.e. result in positive biodiversity outcomes), whereas a biodiversity offset is intended to achieve no net loss.

2.8.2 QLDC considers there could be some benefits in allowing a developer to purchase credits for a project as part of a resource consent process (see response to Question 2.2). However, as noted above, this must be carefully managed to ensure 'uncontrolled prioritisation' does not eventuate. In addition, any such pathway must be carefully developed to avoid the over privatisation of biodiversity benefits.

2.8.3 It is possible that linkages to resource consent processes could promote system efficiencies in terms of monitoring. For example, monitoring undertaken for the purposes of a BCS could work to complement monitoring that is a requirement of resource consent or subdivision consent conditions.

2.8.4 QLDC notes that territorial authorities and regional councils (responsible for processing and monitoring resource consents) may be drawn into assessing the merits of a resource consent application satisfying a BCS if credits are able to be used to offset development impacts as part of resource management processes. If this were the case, central government must provide adequate support to territorial authorities and regional councils to ensure efficient and effective outcomes, and to recognise the existing capacity and capability constraints of consent authorities.

2.9 Do you think a biodiversity credit system will attract investment to support indigenous biodiversity in New Zealand?

Please give your reasons.

2.9.1 Yes. QLDC considers that the ‘value’ of Aotearoa’s indigenous biodiversity is internationally recognised. High ‘quality’ and abundant ‘quantity’ biodiversity is an important part of ‘NZ Inc’ and the nation’s international reputation, attracting visitors from around the world to Queenstown Lakes District and its wider conservation land.

2.9.2 For the Queenstown Lakes District, this reputation is embodied within the Regenerative Tourism Plan¹². It positions the district at the forefront of achieving a regenerative visitor economy and, critically, for it to reach carbon zero by 2030. Part of this goal involves environmental restoration through biodiversity health.

2.9.3 New Zealand’s foreign investment policy¹³ currently “welcomes sustainable, productive and inclusive overseas investment”. The BCS provides an opportunity to raise the profile of its indigenous biodiversity and attract new forms of investment to provide positive biodiversity outcomes¹⁴.

2.9.4 Charitable funding of conservation projects already exists. QLDC considers that the introduction of a BCS will make this funding more transparent and secure for investors.

2.10 What do you consider the most important outcomes a New Zealand biodiversity credit system should aim for?

2.10.1 QLDC considers that the following are the most important outcomes of a Aotearoa New Zealand BCS:

- Achieve biodiversity net gains that can be shown to reverse current declines;

¹² Travel to a thriving future Haereka whakamu ki to ao taurikura, A Regenerative Tourism Plan, Te Mahere Whakahaumanu Tāpoi https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/queenstownnz/Queenstown_Lakes_Regenerative_Tourism_Plan_56e68414-2726-4828-a1d6-79b0cb4f771e.pdf

¹³ <https://www.treasury.govt.nz/sites/default/files/2021-06/for-invest-pol-nat-interest-guidance-jun21.pdf>

¹⁴ Projects 11 and 9 of the DMP (<https://www.queenstownnz.co.nz/regenerative-tourism-2030/the-plan/>) which is seeks to attract significant international investment in the district

- Encourage the economy to value biodiversity i.e. set out specific monetary benefits of enhanced biodiversity;
- Incentivise the private market and New Zealand businesses to be exemplars and leaders in achieving positive biodiversity outcomes;
- Improvement of water quality and aquatic habitats
- Increased indigenous vegetation cover;
- Increase in the size of indigenous species habitat;
- Increase in the population recruitment numbers for indigenous species;
- Increase in the diversity of flora and fauna within regions; and
- Restoration that has a high chance of providing a net gain and enhancement/protection activities.

2.10.2 The above outcomes will support the implementation of the QLDC PDP and the wider resource management system.

2.11 What are the main activities or outcomes that a biodiversity credit system for New Zealand should support?

2.11.1 For the reasons set out above in Question 2.5, QLDC supports an outcome-based BCS as opposed to an activities system. As such, 2.10 lists the outcomes we believe a BCS should aim for/support.

2.11.2 In addition to the outcomes identified in response to question 2.10, the following outcomes should be supported by a BCS:

- Incentivise action which specifically protects, restores or enhances biodiversity values
- The extent to which there are additional positive social and/or economic benefits for communities beyond the subject site could be considered as part of a BCS. For example, activities which support a thriving conservation workforce.
- Links to the voluntary carbon market to recognise the value of indigenous biodiversity over exotic forestry in sequestration projects.

2.12 Of the following principles, which do you consider should be the top four to underpin a New Zealand biodiversity credit system?

Principle 1 – Permanent or long-term (eg, 25-year) impact

Principle 2 – Transparent and verifiable claims

Principle 3 – Robust, with measures to prevent abuse of the system

Principle 4 – Reward nature-positive additional activities

Principle 5 – Complement domestic and international action

Principle 6 – No double-counting, and clear rules about the claims that investors can make

Principle 7 – Maximise positive impact on biodiversity

2.12.1 QLDC considers all the identified principles are important. However, principles 1, 2, 3, 4, 5 and 7 are considered the highest priority.

2.12.2 It is noted that there is some crossover within the specified principles, in that a suitably robust system (principle 7) would also ensure that there is no double counting, clear rules (principle 6) and the system is transparent and verifiable (principle 2).

**2.13 Have we missed any other important principles?
Please list and provide your reasons.**

2.13.1 Prioritisation of projects based on biodiversity outcomes – QLDC has concerns around the BCS and the risk of ‘uncontrolled prioritisation’ of the market and the privatisation of biodiversity benefits. QLDC recommends a principle be established to ensure that projects are prioritised on the basis of their biodiversity merits, and that positive biodiversity outcomes are available as widely as possible. This factor should be built strongly into principles 2 and 3.

2.14 What assurance would you need to participate in a market, either as a landholder looking after biodiversity or as a potential purchaser of a biodiversity credit?

2.14.1 To achieve assurances in a biodiversity market, QLDC recommends that:

- the BCS is demonstrably robust to achieve measurable biodiversity gains for all parties engaged in a project
- the systems needed to support the BCS is effective and efficient, i.e. processes are clear and easily understood, it is capable of moving at pace (is not unnecessarily burdened by process) and is regulated consistently and fairly
- consenting authorities are well supported for any roles and responsibilities they have in the implementation of any part of the system.

2.15 What do you see as the benefits and risks for a biodiversity credit market not being regulated at all?

2.15.1 Benefits of a biodiversity credit market not being regulated:

- Fewer central and local government resources would be spent on regulation, potentially resulting in more resources being available for work ‘on the ground’.
- There may be greater flexibility for biodiversity projects which are not subject to consistent methodologies and assessments, which could lead to more innovation.
- There would be less onerous administrative requirements for participants.
- Private schemes may be able to operate more efficiently if there are fewer government checks and balances in place.

2.15.2 Risks of a biodiversity credit market not being regulated:

- It would be more difficult to measure and report on the state of biodiversity across the country.
- Projects may focus on preserving existing biodiversity values, rather than restoring and reversing biodiversity declines.
- There would be no long-term security for biodiversity gains.

- Outcomes, projects and actions would be not be subject to a single assessment framework, and this may compromise the transparency and verifiability of biodiversity outcomes.
- The biodiversity market would not be robust or comparable, it and would be open to double-counting and abuse of the system.
- It is possible that an unregulated market would compromise the potential for international investment as it may not have investor confidence.
- As noted elsewhere, QLDC considers there is a risk that an unregulated market will result in ‘uncontrolled prioritisation’ of biodiversity outcomes. Ultimately, this will not result in an equitable distribution of investment.

2.16 A biodiversity credit system has six necessary components (see figure 5 of the consultation document). These are: project provision, quantification of activities or outcomes, monitoring measurement and reporting, verification of claims, operation of the market and registry, investing in credits. To have the most impact in attracting people to the market, which component(s) should the Government be involved in?

Please give your reasons.

- 2.16.1 In relation to figure 5 of the consultation document, QLDC considers that government should play an important role in project provision and the quantification of activities or outcomes in order to avoid the adverse effects of ‘uncontrolled prioritisation’ of biodiversity outcomes. This should extend to project provision in in the case of nationally significant species or ecosystems. The government’s role in this space will help to maintain the integrity and success of the BCS.
- 2.16.2 The government has the best tools, experience and regulatory mechanisms available to operate the market and registry.
- 2.16.3 QLDC considers that government should invest in the BCS for the purpose of implementing its own conservation roles and responsibilities (i.e. on public conservation land), and to demonstrate leadership and best practice for other investors.
- 2.16.4 The BCS will need to be marketed widely and effectively if it is to be seen as an attractive investment. The government should play a role in this marketing to kick start, and ensure the ongoing success of a BCS.
- 2.16.5 There are two possible broad roles of government outlined in the BCS discussion document¹⁵, being ‘market enablement’ and ‘market administration’. QLDC considers that a blend of these two roles is necessary to ensure an efficient and effective BCS that delivers biodiversity gains. A degree of influence and administrative regulation is required across each of those components listed in Table 3 of the discussion document.
- 2.16.6 It is also noted that Table 3 refers to ‘possible roles of central and local government’. It is preferable that more specific proposals be set out in regard to the role of central and local government, noting that they have vastly different tools, capacities and capabilities. It is not considered that sufficient detail has been set out to enable providing an informed submission on this matter. It is unlikely that local government will be able to play a material role in many of the components set out in Table 3 given they mostly relate to the centralised functions of a BCS. Territorial authorities have on the ground experience in managing a

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range of land use activities (via the RMA) and engaging with/supporting community groups which undertake conservation activities. However, territorial authorities do not necessarily have technical biodiversity expertise. In QLDC's opinion, MfE should engage further with local government to inform how the sector can best contribute to the success of any BCS

2.16.7 The role of government processes should be reviewed regularly and amended if considered necessary to ensure a system can be developed that best supported biodiversity gains. It is anticipated that a 'setting in time' would be needed to consider if the best balance of 'market enablement' and 'market administration' has been achieved.

2.17 In which areas of a biodiversity credit system would government involvement be most likely to stifle a market?

2.17.1 As noted above, QLDC considers that government has an important role to play in the operation of the BCS. Government involvement is likely to improve the effectiveness and efficiency of a BCS rather than 'stifle' its operation.

2.17.2 If a government department or local authority is acting as an investor in the BCS, it is important that suitable separation of powers is established to avoid conflicts of interest.

2.18 Should the Government play a role in focusing market investment towards particular activities and outcomes and if so why? For example, highlighting geographic areas, ecosystems, species most at threat and in need of protection, significant natural areas, certain categories of land.

2.18.1 Yes, for projects/outcomes of national significance or where a regionally or nationally coordinated approach is required.

2.18.2 Yes. As noted elsewhere, QLDC considers there is a risk that a BCS may result in the 'uncontrolled prioritisation' of biodiversity outcomes. Government should play a role to prevent this risk. It would help ensure that biodiversity with less 'public appeal' or marketing value, but high biodiversity value, would benefit from the system.

2.19 On a scale of 1, not relevant, to 5, being critical, should a New Zealand biodiversity credit system seek to align with international systems and frameworks? Please give your reasons.

2.19.1 QLDC rates this statement as a 3. It is important that global methods to address biodiversity issues are generally aligned. A degree of alignment may help to attract international investment into New Zealand's BCS. However, QLDC considers that the first priority for any BCS should be to ensure it is fit for purpose for the unique New Zealand context. This includes Te Tiriti obligations and recognition of Te Ao Māori, as well as addressing the specific challenges faced by our terrestrial, freshwater and marine environments.

2.19.2 Any system should be compatible with Australia and/or other countries where they apply. As the discussion document mentions, many New Zealand businesses also operate in Australia¹⁶. If one aim is to maximise the credits, then it is important not to restrict the BCS to New Zealand businesses. Our economy is dominated by small businesses, and many may not have the cashflow to enter a BCS.

2.20 Should the Government work with private sector providers to pilot biodiversity credit system(s) in different regions, to test the concept? If you support this work, which regions and providers do you suggest?

2.20.1 Yes. QLDC supports a pilot project approach for the BCS. It would assist in the development of efficient, effective and robust infrastructure to support the wider roll out of a BCS.

2.20.2 It would be useful to undertake a pilot on an SNA that may struggle to attract funding. The Queenstown Lakes District is primed to test the concept, as businesses are already aligning themselves with the goals of the Regenerative Tourism Plan¹⁷ which seeks to work with the private sector to 'Restore the environment and decarbonise the visitor economy'. Further, it is understood that the Department of Conservation is currently partnering with MfE to consider pilot projects. One example is 'CarbonZ' which is based in the district (more specifically Hawea). CarbonZ has recently launched their first South Island Biodiversity credits with the Southern Lakes Sanctuary¹⁸, issuing 'CarbonZ Biodiversity Action Credits' to fund pest control in the habitat of the Mohua/Yellowhead, Kea, Whio and Rock Wren.

2.20.3 If the Queenstown Lakes District is selected to undertake a pilot programme, local authorities and businesses must be sufficiently supported, and funded and be guided through all parts of the process.

2.21 What is your preference for how a biodiversity credit system should work alongside the New Zealand Emissions Trading Scheme or voluntary carbon markets?

a) Little/no interaction: biodiversity credit system focuses purely on biodiversity, and carbon storage benefits are a bonus.

b) Some interaction: biodiversity credits should be recognised alongside carbon benefits on the same land, via both systems, where appropriate.

c) High interaction: rigid biodiversity 'standards' are set for nature-generated carbon credits and built into carbon markets, so that investors can have confidence in 'biodiversity positive' carbon credits.

Please answer (a) or (b) or (c) and give your reasons.

2.21.1 QLDC's preference is that there is high interaction (option c) between a BCS and the New Zealand Emissions Trading Scheme (ETS) or voluntary carbon markets. Whilst exotic forestry may be appropriate in some places, for rapid sequestration, the current ETS and voluntary carbon markets discourage indigenous plantings. A high interaction of the two systems could allow prioritisation of long-term sequestration and biodiversity benefits of indigenous plantings.

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¹⁷ <https://www.qldc.govt.nz/media/iazdvtln/item-3a-dmp-attachment-1-queenstown-lakes-regenerative-tourism-plan.pdf>

¹⁸ <https://carbon-pulse.com/222136/>

2.22 **Should a biodiversity credit system complement the resource management system? (Yes/No) For example, it could prioritise:**

- **Significant Natural Areas and their connectivity identified through resource management processes**
- **Endangered and at-risk taonga species identified through resource management processes.**

2.22.1 Yes, QLDC strongly supports the BCS complementing the resource management system for the reasons set out throughout this submission. QLDC considers that a BCS could support landowners with SNA obligations and help to achieve successful biodiversity outcomes.

2.22.2 Alignment would assist in preventing the impact of competing priorities. In particular, the conflict between protecting biodiversity values and enabling urban growth and intensification. Central government proposals should always be mindful of how local authorities need to implement the wider range of land use management national directions.

2.23 **Should a biodiversity credit system support land-use reform? (Yes/No)
(For example, supporting the return of erosion-prone land to permanent native forest, or nature-based solutions for resilient land use.)**

2.23.1 Yes. A BCS should support land-use reform where this would lead to a tangible gain in biodiversity (e.g., successful restoration, buffering, erosion control etc.) or where the land use change would help to support the protection of other important biodiversity (e.g., habitats of fauna or effects on aquatic biodiversity).

2.23.2 However, it is not clear how a BCS would directly support land use reform if it is strongly market led. Central government would need to regulate the system to ensure it supported wider land use reform objectives.

20 November 2023

Via email: naturalhazardRMA@mfe.govt.nz

SUBMISSION TO THE MINISTRY FOR THE ENVIRONMENT ON THE PROPOSED NATIONAL POLICY STATEMENT FOR NATURAL HAZARD DECISION-MAKING

Thank you for the opportunity to present Queenstown Lakes District Council's (QLDC) submission to the Ministry for the Environment (MfE) on the proposed National Policy Statement for Natural Hazard Decision-Making (NPS NHD).

QLDC strongly supports the development of a national policy statement that will enable local authorities to address the significant challenges presented by natural hazard risk. QLDC considers that the establishment of robust national direction will result in enduring positive outcomes for New Zealanders. However, as with any new management framework, a key success factor is effective implementation, with sufficient funding and investment to facilitate change.

QLDC's submission builds on the following key messages:

- Te Tiriti, mātauranga and Te Ao Māori should play an important role in natural hazard risk decision-making. QLDC supports genuine early engagement with local iwi and hapū to ensure significant decisions give effect to tangata whenua values, interests, and aspirations.
- The requirement to implement a risk-based decision-making approach is supported. It places the concept of risk at the centre of decision-making, ensuring that natural hazard processes (i.e. hazard events) are not considered in isolation of their likelihood and consequences.
- It is critical that all natural hazards are in scope of the proposed NPD NHD.
- QLDC recommends that decision-making process concerning the NPS NHD and Select Committee inquiry into climate adaptation be made concurrently, and preferably, in a single and cohesive manner.
- QLDC does not consider that the NPS NHDs proposed objective sets the right outcome statements necessary to support good risk-based decision-making. The proposed objective is ambiguous and tries to achieve too much with insufficient detail.
- QLDC supports the provision of new development and intensification in areas of low natural hazard risk or areas where hazards can be mitigated through the development process.
- QLDC anticipates that considerable resources would be required to robustly implement a risk-based planning approach. Local authorities already face challenging funding allocation decisions. Central government should acknowledge and help resolve funding challenges.
- QLDC recommends that central government establish and review nationally consistent standards and methodologies for risk assessment and engagement processes that must be followed by any person or entity undertaking a risk assessment.

QLDC would like to be heard at any hearings that result from this consultation process. It should be noted that due to the timeline of the process, this submission will be ratified by full council retrospectively at the next council meeting.

Thank you again for the opportunity to comment.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Glyn Lewers', with a large, sweeping flourish at the end.

Glyn Lewers
Mayor

A handwritten signature in black ink, appearing to be 'Mike Theelen', with a long, horizontal flourish extending to the right.

Mike Theelen
Chief Executive

1.0. QLDC Context

- 1.1. The Queenstown Lakes District (**QLD/the district**) QLDC has an average daily population of 71,920 (visitors and residents) and a peak daily population of 114,790¹. The district is experiencing unprecedented growth with its population projected to nearly double over the next 30 years.
- 1.2. The district is one of Aotearoa New Zealand's premier visitor destinations, drawing people from all over the world to enjoy the district's spectacular wilderness experiences, world renowned environment and alpine adventure opportunities.
- 1.3. Pressure to accommodate population and visitor growth within an alpine landscape context has resulted in some people and property being located within, or in close proximity to, natural hazard processes. This juxtaposition creates natural hazard risk. Significant challenges will be faced by QLDC, and all local authorities and their communities, in addressing these natural hazard risks. QLDC has been working collaboratively with the community, iwi, hapū and regional council partners to find solutions to the highest priority natural hazard risks in the district.
- 1.4. In partnership with its community, QLDC has developed Vision Beyond 2050². This document sets out the district's community outcomes and forms the basis of the QLD Long Term Plan 2021 – 2031. Vision Beyond 2050 contains 8 vision statements. Of particular relevance is '*Disaster-defying resilience He Hapori Aumangea - Queenstown Lakes is a place that is ready and prepared for every emergency*'. This vision sets the scene for the following Vision Beyond 2050 outcomes:
 - *Our communities are resilient to disasters and adapting to a changing global climate.*
 - *Our people stand tall through any challenge, caring for whānau, neighbours and visitors alike.*
 - *Our infrastructure is as resilient as our people.*
 - *Recovery empowers our people to quickly find a new normal.*
- 1.5. QLDC declared a climate and ecological emergency in 2019 and has released its second three-year Climate and Biodiversity Plan 2022 – 2025¹. The plan has three goals, under which sit six outcomes related to leadership, transport, built environment, communities, business, and the natural environment. These goals are intended to give effect to the Vision Beyond 2050 community outcomes. The Plan seeks to ensure that '*Queenstown Lakes is a place that is ready and prepared to adapt to a changing climate*' and identifies a set of actions³ relevant to natural hazards, including partnering with Otago Regional Council '*on a programme of climate change risk assessments, adaptation plans and natural hazard risk assessment studies to support community resilience projects and the implementation of a risk-based land use planning framework*⁴.
- 1.6. Together with the natural hazard risk management approach outlined within the QLD Proposed District Plan (**PDP**)⁵, these commitments illustrate QLDC's intention to implement effective and efficient natural hazard risk management.

¹ <https://www.qldc.govt.nz/media/ygiltton/demand-projections-summary-march-2022-2023-to-2053.pdf>

² https://www.qldc.govt.nz/media/wgscwzro/qldc_vision-2050_boards_sep22.pdf

³ Actions 1.12, 3.8, 4.6

⁴ Action 1.12

⁵ In particular Chapter 3 (strategic direction), Chapter 4 (urban development) and Chapter 28 (natural hazards)

- 1.7. The following parts of this submission respond directly to the questions posed by the NPS NHD discussion document published by MfE⁶.

QLDC response to consultation document questions

Problems to solve

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

- 2.1. Yes. QLDC strongly agrees that more action is needed to address development occurring in areas subject to natural hazard risk. A nationally consistent framework is needed that will enable the establishment of robust risk assessment methodologies and associated decision-making processes. In the absence of national direction, local authorities will face complex challenges, community resistance and ongoing litigation in their efforts to undertake effective risk-based land use decision-making.

3 Are there any other parts of the problem definition that you think should be addressed through the NPS-NHD? Why?

- 3.1. The NPS NHD is being developed ahead of a central government Select Committee inquiry into climate adaptation⁷ with a focus on developing nationally consistent frameworks for risk assessments and managed retreat decision-making processes. QLDC strongly recommends that decision-making processes concerning the NPS NHD and Select Committee inquiry into climate adaptation be made concurrently, and preferably, in a single and cohesive manner. QLDC considers that a joined up decision-making process is critical to the future success of effective and efficient land use management in Aotearoa New Zealand.
- 3.2. While the MfE discussion document identifies a need for robustness generally, it does not sufficiently address the considerable litigation risk local authorities face in navigating the complex challenges of associated with natural hazard risk management, as well as ensuring that people are the focal point, rather than the process itself. In the absence of clear national direction, local authorities are required to weigh up the risk of acting or not acting. This risk weighs heavily on elected members in making their decisions. The NPS NHD should address this litigation risk and take material steps to ensure local authorities can be confident that their decisions will not be subject to protracted litigation at the expense of good land use outcomes. QLDCs submission on the Select Committee inquiry into climate adaptation supports the creation of a centralised agency to assist with administering litigation, mediation and appeal rights on resource management decisions relating to natural hazards and managed retreat. The NPS NHD development process should link into the creation of this centralised agency and directly address its roles and responsibilities (as recommended throughout this submission).
- 3.3. Recommendations
- R.1 – That decision-making processes concerning the NPS NHD and Select Committee inquiry into climate adaptation be made concurrently, and preferably, in a single and cohesive manner.
- R.2 – That a centralised agency be created to assist with administering litigation, mediation and appeal rights on resource management decisions relating to natural hazards management.

⁶ <https://environment.govt.nz/publications/proposed-national-policy-statement-for-natural-hazard-decision-making-discussion-document/>

⁷ https://www.parliament.nz/en/pb/sc/make-a-submission/document/53SCEN_SCF_A3FE0E05-8ABB-418D-8F44-08DBA45709B6/inquiry-into-climate-adaptation

4 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?

- 4.1. QLDCs responses elsewhere in this submission set out the key issues not addressed in the proposed NPS NHD.

Key policy proposals of the proposed NPS NHD

5 Do you support the proposed NPS-NHD's requirement that decision-makers take a risk-based approach when making decisions on new development in natural hazard areas? Why or why not?

- 5.1. Yes, QLDC supports the requirement to implement a risk-based approach to decision making. This represents best practice land use management. It places the concept of risk at the centre of decision making, ensuring that natural hazard processes are not considered in isolation of their likelihood and consequences on people and property.
- 5.2. An understanding of natural hazard processes alone is superficial and does not enable communities to make informed decisions about the levels of risk they may face in the future.
- 5.3. While QLDC strongly supports a requirement to implement risk-based decision-making, it is acknowledged that this is likely to come with considerable costs to a wide range of stakeholders, in particular local authorities. The personal impact and consequences that will affect both elected members and the public, and the impact of this on decision-making cannot be underestimated. While proactive risk-based decision-making will invariably cost less than reactive decision making following natural hazard events, central government should be cognisant that robust risk-based decision-making incurs significant costs. These costs include the need to procure a range of external technical experts, engage extensively with affected communities, and defend decisions against litigation.

Proposed scope

6 Should all natural hazards be in scope of the proposed NPS-NHD? Why or why not?

- 6.1. Yes. QLDC strongly agrees that all natural hazards should be in scope of the proposed NPS NHD. The NPS NHD should not be limited to a specific list of hazards, such as those we may be more familiar with or know more about (as is suggested as an alternative approach in the MfE discussion document⁸).
- 6.2. The effect of limiting the scope of the NPS NHD would invariably lead to poor land use decision-making and is likely to result in some people and property being subject to significant levels of risk.
- 6.3. It is not understood how different types of natural hazards could be prioritised for inclusion or exclusion from the NPS NHD. If the alternative approach is adopted, a detailed prioritisation rationale must be developed in collaboration with local authorities.
- 6.4. Recommendation
R.3 – That the NPS NHD consider all natural hazard types.

7 If not all natural hazards are in scope, which ones should be included? Why?

- 7.1. As noted above, QLDC considers that the NPS NHD should not be restricted to certain types of natural hazards.

⁸ Page 19 of the MfE discussion document

8 Should all new physical development be in scope of the proposed NPS-NHD? Why or why not?

- 8.1. Yes. QLDC considers all new development should be subject to decision making under the proposed NPS NHD.
- 8.2. QLDC supports in principle the definition of 'new development' and 'new hazard sensitive development' in the proposed NPS NHD. The definitions are a significant step towards providing greater clarity around how to manage development that is subject to natural hazard risk. In particular, QLDC supports the recognition of 'the extension or replacement of existing buildings, structures, or infrastructure' as constituting new development.
- 8.3. However, QLDC seeks clarity on whether earthworks activities are also subject to this definition of new development. Earthworks activities can have significant impacts on risk profiles. This is supported by definitions contained within the Australian Geomechanics Society Practice Note Guidelines for Landslide Risk Management 2007⁹ (AGS 2007), which is understood to be applied extensively within Aotearoa New Zealand and other parts of the world. In particular, additional clarity should be provided on 'Existing Slopes' and 'New Constructed Slope' as set out within AGS 2007¹⁰.
- 8.4. Recommendations
 - R.4 - That all new development should be subject to decision-making under the proposed NPS NHD.
 - R.5 - That earthworks activities be considered for inclusion within the definition of new development.

9 What impact do you think the proposed NPS NHD would have on housing and urban development? Why?

- 9.1. QLDC considers that the proposed NPS NHD will have positive outcomes for housing and urban development. This is because it would enable efficient and effective decision-making relating to all new development, in particular:
 - by ensuring areas for new urban development are not subject to high levels of natural hazard risk, and
 - reducing decision-making delays associated with ongoing litigation relating to natural hazard considerations.
- 9.2. At a conceptual level it is logical that areas of existing development that currently provide in-situ housing stock are subject to a proposed NPS NHD. However, the current economic reality of local authorities, including QLDC, is that this is not a viable option. Accordingly, QLDC opposes identification of existing development in the NPS NHD due to significant financial ramifications.
- 9.3. QLDC is cognisant of the need to carefully reconcile the need for risk-based decision-making and urban development objectives. This will be an important component of the RMA reform programme, and in particular the National Planning Framework (NPF). However, it is noted that the proposed Transitional NPF currently out for targeted engagement¹¹ does not sufficiently address natural hazard risk. QLDC acknowledges that the newly elected National led government intends to repeal recently passed RMA reform legislation. As such, a more proactive and robust national policy statement under the existing

⁹ AGS 2007

<https://buildchange-web.s3.amazonaws.com/resources/pdfs/usaidprimers/Practice%20Note%20Guidelines%20for%20Landslide%20Risk%20Management%202007.pdf>

¹⁰ Section 8.2, AGS 2007

¹¹ <https://environment.govt.nz/publications/targeted-engagement-draft-nbe-npf-regulations/#:~:text=The%20content%20of%20the%20transitional,as%20urban%20development%20or%20infrastructure.>

RMA framework becomes increasingly important, particularly in the absence of any further understanding of the new government's intentions for the RMA.

9.4. QLDC notes that the Select Committee inquiry into climate adaptation will have an important reconciliation exercise to play in regard to these (sometimes) competing objectives. However, the work of this inquiry will make positive steps towards securing general alignment.

9.5. Recommendations

R.6 – That the NPS NHD engage more strongly with the proposed Transitional NPF currently out for targeted engagement.

R.7 - That the NPS NHD development process be cognisant of the newly elected National led government's intention to repeal RMA reform legislation.

Proposed objective

10 Do you agree with the proposed objective of the NPS NHD? Why or why not?

10.1. No. QLDC does not consider that the proposed objective sets the right outcome statements necessary to support good risk-based decision-making and the subsequent policies. The proposed single objective is ambiguous and tries to achieve too much with too little detail.

10.2. QLDC recommends that the NPS NHD objective has the following amendments:

- A second objective is suggested which sets out the level of risk that is acceptable for new development. Simply stating that risks should be 'minimised' lacks clarity. This doesn't provide the certainty that local authorities require in order to make robust and confident decisions. QLDC recommends that a new second objective employs the proposed definitions of high, moderate and/or low natural hazard risk that are set out in the interpretation section of the NPS NHD. QLDC considers that the second objective should state that natural hazard risk should be managed to ensure it does not exceed moderate levels (means a risk from natural hazards that is more than a low risk, but is not intolerable) and maintained where it is low (means a risk from natural hazards that is generally acceptable). It is noted that proposed policy 5(a) sets this standard:

'Planning decisions must ensure that... in areas of high natural hazard risk, new development is avoided unless the level of risk is reduced to at least a tolerable level or:...'

QLDC supports in principle Policy 5(a), but does not consider that the reference to 'minimise' in the proposed objective supports this policy.

10.3. Recommendations

R.8 – Refer to paragraph 9.2 above.

Policy 1 and definitions: natural hazard risk categories

11 What are the pros and cons of requiring decision-makers to categorise natural hazard risk as high, moderate or low?

11.1. QLDC notes the following pros and cons:

11.2. Pros:

- Represents a positive step towards the implementation of a risk-based approach to land use decision-making
- Application of a nationally consistent language for natural hazard management
- Promote a consistent approach to the application of a risk-based approach in decision-making

11.3. Cons:

- Leaving risk level determination to those who make planning decisions is unlikely to resolve litigation risks currently faced by local authorities in making land use decisions
- This approach is likely to impose (potentially significant) additional costs on applicants, local authorities and ratepayers when preparing and/or considering consent applications and plan changes

Policy 2: Assessing natural hazard risks

12 What are the pros and cons of directing decision-makers to assess the likelihood, consequence and tolerance of a natural hazard event when making planning decisions?

12.1. QLDC notes the following pros and cons:

12.2. Pros:

- Represents a positive step towards the implementation of a risk-based approach to land use decision-making
- Application of a nationally consistent language for natural hazard management
- Promote a consistent approach to the application of a risk-based approach in decision-making

12.3. Cons:

- This approach is likely to impose (potentially significant) additional costs on applicants, local authorities and ratepayers when preparing and/or considering consent applications and plan changes

12.4. QLDC considers that tolerance engagement on a case-by-case basis will be inefficient if undertaken at the time of making a planning decision¹². There needs to be greater predictability for the market than the cost and uncertainty of case-by-case decision making. The standard RMA Schedule 1 process and its strict formality does not facilitate the type of engagement needed to deliver robust tolerance engagement exercises. QLDC considers that the proposed policy framework needs to be amended to require tolerance engagement to be undertaken well ahead of any formal, case by case planning decisions as part of a Central Government led approach to result in common tolerance levels for all regions.

12.5. QLDC supports the intent of Policy 2, although it is noted that the identification of likelihood and consequences is necessary under a risk-based approach (i.e. Policy 1 cannot be implemented without the assessment of likelihood and consequences). The real benefits of Policy 2 are associated with its direction to determine the *'tolerance to a natural hazard event'*. From QLDC's experience, genuine risk tolerance engagement is complex and time consuming, requiring significant input from local authorities, their experts and affected community members.

¹² See Environment court decision Skyline Enterprises Ltd v Queenstown Lakes District Council [2018] NZEnvC 242

- 12.6. QLDC recommends that national guidelines and/or standards be established to lead and set out how tolerance engagement is to take place, and minimum engagement ‘thresholds’ that support robustness to protect against drawn-out litigation.
- 12.7. The second limb (b) of Policy 2 states that tolerance includes *‘the willingness and capability of those who are subject to the risk’*. QLDC notes that tolerance done at a community level in the first instance will also include those who are indirectly impacted by a hazard, such as local authorities.
- 12.8. QLDC recommends that the terms ‘acceptable’ (equal to low risk), ‘tolerable’ (equal to moderate risk) and ‘significant’ (equal to high risk) be applied within the NPS NHD in place of the proposed ‘intolerable’ and ‘generally acceptable’. The recommended terms have more precedent value given their use in multiple RMA plans and, in the case of ‘significant risk’, its use within section 6(h) of the RMA as a matter of national importance.
- 12.9. The NPS NHD does not provide a definition of ‘tolerance’ but uses the terms ‘generally acceptable’ and ‘intolerable’ within the proposed definitions of ‘high risk’, ‘moderate risk’ and ‘low risk’. It would be preferable for the NPS NHD to provide threshold definitions of tolerability so that communities, stakeholders, iwi and hapū and local authorities are clear about the meaning of this contested term. The Proposed Otago Regional Policy Statement (**PRPS**) usefully establishes tolerability thresholds centred around Annual Individual Fatality Risk (**AIFR**)¹³ and Annual Property Risk (**APR**)¹⁴ methodologies¹⁵.
- 12.10. In the PRPS, these thresholds are an interim measure which do not preclude the need for community consultation to inform what types of likelihood and consequences constitute acceptable, tolerable or significant risk, but they do set up specific responses that will need to be undertaken in response to the different types of identified risks.
- 12.11. Recommendations
- R.9 - That the terms ‘acceptable’ (equal to low risk), ‘tolerable’ (equal to moderate risk) and ‘significant’ (equal to high risk) be applied within the NPS NHD in place of the proposed ‘intolerable’ and ‘generally acceptable’.
- R.10 - That the NPS NHD provide threshold definitions of tolerability.

Policy 3: Precautionary approach in decision-making

13 What are the pros and cons of directing decision-makers to adopt a precautionary approach to decision-making on natural hazard risk?

- 13.1. As per the comments above, QLDC disagrees with the sequencing promoted within Policy 3 in particular, that a precautionary approach must be adopted at the time of making planning decisions.

¹³ Annual probability that an individual most at risk is killed in any one year as a result of the hazards occurring

¹⁴ Annual probability of total property loss (relating to permanent structures) as a result of the hazards occurring

¹⁵ Step 4 of APP6 – Methodology for natural hazard risk assessment

- 13.2. The application of a precautionary approach which seeks to avoid development in situations of uncertainty is generally supported. This is one way to ensure new development does not inadvertently take place in areas of significant risk, or increases risk such that it could result in 'tolerable' levels being exceeded.
- 13.3. However, the precautionary approach has not been applied well despite its longstanding application within the RMA and other pieces of national direction. Ultimately, natural hazard risk has continued to increase across the country despite risk being uncertain, unknown, or little understood.
- 13.4. QLDC recommends amendments to improve the strength of the policy by referring the 'adoption of an avoidance or adaptive management response' as a means to materially implement a precautionary approach.
- 13.5. As noted above, QLDC would recommend the use of the term significant, rather than intolerable in limb (b).
- 13.6. Recommendations

R.11 – That Policy 3 refer to the 'adoption of an avoidance or adaptive management response' as a means to materially implement a precautionary approach.

R.12 – That the term 'significant' be applied rather than intolerable in limb (b).

Policy 4: Restricted discretionary and controlled activities

- 14 **What are the pros and cons of requiring natural hazard risk as a matter of control for any new development classified as a controlled activity in a plan, and as a matter of discretion for any new development classified as a restricted discretionary activity?**
 - 14.1. QLDC agrees in principle with the direction set out in Policy 4. It would ensure that a consistent approach is applied to the consideration of natural hazard risk for controlled and restricted discretionary activities.
 - 14.2. However, it is noted that local authorities only classify activities as controlled when they are generally anticipated and where very few material matters need to be controlled by way of resource consent conditions. Controlled activities would not typically be anticipated in zones where natural hazard risk needs addressing. QLDC acknowledges that this direction is likely to assist in circumstances where controlled activities may have been classified in areas when natural hazard risk is uncertain, unknown, or little understood. As such, it is a means of applying a precautionary approach.
 - 14.3. QLDC considers that this direction is at odds with the recent central government changes to the way controlled activity consents are intended to be processed. In particular, it is noted that controlled activities must be granted and processed at pace (within 10 working days). This decision-making context doesn't lend itself well to robust risk management.
 - 14.4. Recommendations

R.13- That the NPS NHD require the lowest consent activity status in areas of moderate or high risk be discretionary or non-complying.

Policy 5: Direction on new development in areas of high, moderate and low risk

- 15 **What are the pros and cons of requiring planning decisions to ensure the specific actions to address natural hazard risk outlined in policy 5?**
- 16 **What is the potential impact of requiring decision-makers to apply this framework in their decision-making? Will it improve decision-making?**

16.1. QLDC supports national direction which requires certain decision-making pathways based on the identified level of natural hazard risk (as per the PRPS). This is necessary to ensure robust and confident decision making, minimise the risk of litigation, and improve national consistency. Decision makers also need to be aware of the cost impact of new rules. By definition, new rules have fundamentally increased costs considerably. QLDC is not challenging the increase in costs per se, but point out that often standards get imposed in a policy vacuum and the private individual bears that cost.

16.2. It is understood Policy 5 sets the following baseline - that *'risk is reduced to at least a tolerable level'*. Limbs (a) – (c) set out a series of 'exceptions' for an activity to pass by this baseline and that all matters must be achieved to pass the baseline test. QLDC agrees in principle that there should be limited exceptions to the need to achieve a tolerable level of risk (or lower). However, QLDC has the following concerns with the subject exceptions:

- Limb (a)(i) – identifies development that *'is not a new hazard-sensitive development'*. QLDC prefers the use of the term 'vulnerable activities'. It is the degree of vulnerability of an activity that makes it more or less effected. Vulnerability is a more accepted term in existing risk assessment methodologies (i.e. AIFR and APR). A definition and list of *'new hazard-sensitive development'* is included in the NPS NHD. QLDC recommends the use of activity characteristics in this definition rather than listing specific activity types as it is the specific characteristics of activities that determine their vulnerability. The proposed definition risks other activities not being effectively managed by the policy by applying an activity specific approach. QLDC notes that short term visitor accommodation activities should be considered and potentially identified based on the unfamiliarity of occupants with the subject risk and their similar vulnerability characteristics to residential dwellings.
- Limb (a)(iii) – provides for activities in high-risk areas if there are *'no practicable alternative locations'*. It is preferable that the term 'practicable' be described to reduce ambiguity and associated litigation around the implementation of this policy. The National Policy Statement on Highly Productive Land at 3.10(2)¹⁶ provides a more useful set of requirements by which any reasonably practicable options are to be evaluated. QLDC recommends that a similar approach be applied in the NPS NHD.
- Limb (a)(iv) - provides for activities in high-risk areas if *'risk is reduced to as low as reasonably practicable'*. As per the comment above regarding Limb (a)(iii), QLDC proposes that the phrase *'as low as reasonably practicable'* is qualified with a set of requirements for assessment to improve consistency and reduce the burden of assessment on local authorities.
- Limb (b) requires new development to apply mitigation measures to reduce natural hazard risk as low as reasonably practicable in areas of moderate risk. QLDC considers this policy somewhat

¹⁶ <https://environment.govt.nz/publications/national-policy-statement-for-highly-productive-land/>

ambiguous as moderate levels of risk are equivalent to tolerable levels of risk, which the community is willing to live with. This policy is stating that this risk should be reduced, where it would be more internally consistent and less onerous for it to require new development in areas of moderate risk to be managed to ensure tolerable levels of risk are not exceeded (or that they do not become high/intolerable/significant).

- Limb (c) provides for new development in areas of low natural hazard risk to be enabled. QLDC supports this direction. However, QLDC is concerned with the definition of '*low natural hazard risk*' and its reference to a level of risk that is '*generally acceptable*'. This limb is not sufficiently supported by such an ambiguous definition.

16.3. Recommendations

R.14 - Refer to paragraph 15.2 above.

Policy 6: Reducing natural hazard risks through mitigation

17 What are the pros and cons of providing direction to decision-makers on the types of mitigation measures that should be adopted to reduce the level of natural hazard risk?

17.1. QLDC supports strong direction on the types of mitigation measures that should be adopted to reduce natural hazard risk. However, Policy 6 does not deliver a sufficient level of detail or direction. Simply suggesting that '*the most effective measures are adopted*' is not considered to be sufficiently robust or directive. The NPS NHD should provide an appendix setting out a specific set of mitigation measures that are considered to be the most effective for each given hazard at each given level of risk. While this would add detail to the document it would be more helpful for decision makers.

17.2. QLDC supports limbs (a) and (b) in Policy 6 as a starting point for the additional specificity requested above.

17.3. Recommendation

R.15 – That the NPS NHD consider providing an appendix of mitigation measures for each given hazard at each given level of risk where common approaches to mitigation may occur.

Policy 7: Recognising and providing for Māori and tangata whenua interests and te Tiriti principles

18 Does policy 7 appropriately recognise and provide for Māori rights, values and interests? Why or why not?

18.1. QLDC considers that Te Tiriti, mātauranga and te Ao Māori should play an important role in relevant natural hazard risk decision making processes. QLDC supports genuine early engagement with local iwi and hapū to ensure decisions give effect to tangata whenua values, interests, and aspirations.

18.2. QLDC is concerned that Policy 7 specifies that tangata whenua values, interests, and aspirations are recognised and provided for only when making decisions on new development on specified Māori land where there is a high or moderate natural hazard risk. It is considered that all levels of risk should be considered in the context of tangata whenua values, interests, and aspirations if the hazard relates to Māori land. Further, it is noted that the NPS NHD contains directions that relate to areas of low risk (Policy 5(c)), and implementation Part 3.2 goes further than Policy 7, stating that '*Natural hazard risk is a matter that must be discussed with tangata whenua in accordance with existing requirements under the RMA*'. Internal consistency improvements should be made in regard to this policy direction.

18.3. Recommendations

R.16 - That genuine early engagement with local iwi and hapū is undertaken to ensure natural hazard decision-making gives effect to tangata whenua values, interests, and aspirations.

19 **Can traditional *Māori knowledge systems* be incorporated into natural hazard risk and tolerance assessments?**

19.1. Yes, it is important that traditional Māori knowledge systems be included in risk and tolerance assessments. However, QLDC notes that current risk assessment frameworks are highly westernised, and modified methods will therefore need to be established by central government if te Tiriti, mātauranga and te Ao Māori is to be genuinely incorporated into risk-based decision-making.

19.2. While this presents a challenge, there are good opportunities to improve the way te Tiriti, mātauranga and te Ao Māori is incorporated into risk assessment frameworks as methodologies are currently absent or only just emerging for a range of hazard types (i.e., liquefaction, fire risk etc.).

19.3. QLDC recommends that national direction or guidance is issued on including te ao Māori and local mātauranga Māori in risk assessments.

19.4. Recommendations

R.17 - That modified risk and tolerance assessments methods be established by central government so te Tiriti, mātauranga and te Ao Māori can be incorporated into risk-based decision-making.

R.18 - That national direction or guidance is issued on including te ao Māori and local mātauranga Māori in risk assessments.

20 **Does the requirement to implement te Tiriti settlement requirements or commitments provide enough certainty that these obligations will be met? Is there a better way to bring settlement commitments into the NPS?**

20.1. Te Tiriti settlement requirements or commitments set out critical obligations that will need to be taken into account.

20.2. Recommendation

R.19 - That national direction or guidance be provided on how Te Tiriti, mātauranga and te Ao Māori is to be incorporated into risk-based decision-making.

Implementation timing

21 **Is the implementation timeframe workable? Why or why not?**

21.1. QLDC agrees with the direction set out at 4.1(1) which requires decisions on resource consent applications, designations and plan changes requested under Part 2 of Schedule 1 of the RMA to have regard to the NPS NHD from the date it comes into force. Consideration should be required on all applications lodged after the NPS comes into force.

22 What do you consider are the resourcing implications for you to implement the proposed NPS-NHD?

22.1. As noted elsewhere in this submission, QLDC anticipates considerable resources would be required to robustly implement a risk-based planning approach. Examples of some resourcing implications include:

- The cost of undertaking adequate risk assessments and assessing them in planning applications is significant, requiring the procurement of many external technical experts. Local authorities do not have in-house technical capability, and variable access to such external resources.
- Genuine and meaningful community engagement will be required to determine risk tolerability if that is not defined at a national level. In QLDCs experience, successful risk engagement takes considerable resources, must be supported by technical experts and requires a wide scope to reach as many stakeholders as possible.
- Successfully incorporating te Tiriti, mātauranga and te Ao Māori in risk-based planning will require local authorities to up-skill.
- There are also considerable costs to developers and private individuals. Understanding the costs and benefits are important.
- Local authorities face considerable litigation risk in making risk-based land use decisions. This litigation must be defended by local authorities which comes at considerable expense, and in some cases presents a barrier to effective and efficient decision-making.

22.2. The abovementioned resourcing requirements are ongoing as natural hazard risk is not static, requiring constant review and response when circumstances change.

22.3. QLDC notes that local authorities already face challenging resource and funding allocation decisions. Central government should acknowledge, address and assist in resolving this challenge through consideration of the creation of a centralised agency designed to assist with the funding of risk assessments and community engagement (among other roles outlined in this submission).

22.4. Recommendation

R.20 - That a centralised agency be established to assist with the funding of natural hazard risk assessments and other costs necessary to successfully implement risk-based decision-making under the NPS NHD.

Implementation guidance

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

23.1. QLDC considers that guidance and technical assistance is needed from central government to address all of the resourcing challenges set out at paragraph 21 above. To assist with this QLDC recommends central government establish nationally consistent standards, acceptable tolerances and methodologies for risk assessment and engagement processes that must be followed by any person or entity undertaking a risk assessment.

23.2. Recommendations

R.21 – That central government establish nationally consistent standards, acceptable tolerances and methodologies for risk assessment and engagement processes that must be followed by any person or entity undertaking a risk assessment.