

Submission on the New Zealand Productivity Commission draft report on Local Government Funding and Financing

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Overarching comment

The report tends to focus on the climate change challenges that local government currently face and will continue to face associated with the risk of coastal flooding and sea level rise. We agree that this is a significant issue. However, this is not the only climate change-related risk. For example, projected increases in flash flooding from short duration high intensity rainfall events will be an increasing issue for urban stormwater, wastewater and landslide management. Changes in water resources could directly affect some councils' abilities to provide freshwater to their communities and businesses. Ecosystems and the services they provide us are likely to be affected by changes in temperature and rainfall. Wildfire will pose a risk to lives and infrastructure in some areas. Each council will have a different risk profile based on its location and characteristics. This is highlighted by work NIWA has done for specific councils and will very likely be a key finding of the national climate change risk assessment. It will be essential that councils assess their risks in a consistent way, supported by national datasets and guidance.

Specific comment regarding Recommendation R8.1 and the corresponding text

We agree in principle with Recommendation R8.1, however we do not agree that a 'Centre for Knowledge and Guidance' should be limited to expertise from "NIWA, GNS Science and Manaaki-Whenua Landcare Research with participation from local government and university experts" (page 217, paragraph 1).

NIWA works collaboratively with multiple institutions, organisations and people. We recognise that climate change knowledge is multifaceted and that expertise, particularly regarding the translation and utility of knowledge for guidance, is widespread residing in multiple organisations including, but not limited to, CRIs, Universities (including overseas), Central and Local Government, non-profit organisations, levy-funded sector bodies, and international and NZ-based consultancies and agencies. Thus, we would like to see the relevant sentence on page 217, paragraph 1 changed to:

"...(perhaps a "virtual" centre) that draws together the expertise from climate scientists and practitioners throughout New Zealand and utilises their extensive international networks and knowledge, e.g. as documented in IPCC reports."

Similarly, we argue that a centre that specialises in delivering advice for local government should not be limited to utilising resources from MfE, LGNZ and the Society of Local Government Managers. Resources (including experts) are available from multiple sources, including from NIWA, so we would like to see the relevant sentence on page 217, paragraph 2 changed to:

"...community engagement, risk management and planning should access resources from multiple agencies including, but not limited to, the MfE, LGNZ and the Society of Local Government Managers."

Lastly, we would like to see an acknowledgement in the text that the proposed centres are generally consistent with recommended actions 12 and 13 from CCATWG (2018), being:

- *Recommendation 4: Use information to support decision-making. Action 12: Communicate nationally what New Zealand can do to adapt through a climate change information portal and other channels; and*
- *Recommendation 5: Build adaptive capacity and capability. Action 13: Establish a centralised service to provide expert advice to local government for risk-based decision-making*

We suggest that CATTWG (2018) recommendation 4, action 12 could be referenced in paragraph 1 of page 217 and recommendation 5, action 13 could be referenced in paragraph 2 of page 217.

Other comments

P 77, 2nd bullet on community expectations: There will be an increasing burden on councils from climate-change impacts and community expectations to maintain levels of service (LOS) or even tolerance of a reduced LOS, in order to continue living in increasingly riskier locations e.g. coastal and river flood plains. This property-owner pressure may be at odds with councils wanting to stop maintaining or remove services, including coastal roads, coastal protection or stopbanks due to economic pressures for diminishing public benefit. A legal opinion on these matters was provided by Duncan Laing (Simpson Grierson) on the LGNZ web site: <https://www.lgnz.co.nz/our-work/publications/climate-change-and-natural-hazards-decision-making-toolkit/>. We feel that it would be helpful for the Commission to further explore these matters that are weighing on some councils in assessing when and how managed retreat from high-risk areas can be achieved while including provision of basic services.

P 211, section 8.1, 3rd para: The last part of the last sentence doesn't convey the more direct risk for coastal communities – which can be better communicated using the 2015 PCE study results for national coastal risk exposure e.g. approx. 133,000 people normally reside on low-lying coastal land below 1.5 metres above spring tide that is exposed to coastal flooding and sea-level rise (from Bell et al. (2015) report to the PCE: <https://www.pce.parliament.nz/media/1384/national-and-regional-risk-exposure-in-low-lying-coastal-areas-niwa-2015.pdf>).

P 211-212, last para on sea-level rise: This paragraph is derived from the IPCC reports which is for global sea-level rise estimates and observations. It misses entirely the national coastal guidance by MfE to local government: Coastal Hazards and Climate Change (2017) that outlines observations of sea-level rise to date and NZ-specific projections for sea-level rise out to 2150. Given the need for consistency with available national guidance, this paragraph should be recast to provide a consistent message on the sea-level rise and its impacts that is derived from MfE (2017): <https://www.mfe.govt.nz/climate-change/climate-change-guidance/guidance-local-government-preparing-climate-change> (under Coastal hazards and climate change).