

29 July 2021

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

By email: [hud\\_gps@hud.govt.nz](mailto:hud_gps@hud.govt.nz)

## **Submission on the Government Policy Statement on Housing and Urban Development**

Thank you for the opportunity to provide feedback on the discussion document outlining the proposed Government Policy Statement on Housing and Urban Development (GPS-HUD).

### **The Earthquake Commission's interest in the GPS-HUD**

The Earthquake Commission (EQC) is a Crown Entity responsible for providing insurance to residential property owners against the impact of natural hazards<sup>1</sup>. We also invest in and facilitate research and education about natural hazards, and methods of reducing or preventing natural hazard damage.

The contingent liability associated with natural hazard risk in New Zealand is high and is carried by EQC on behalf of the Crown. EQC therefore has a strong interest in reducing risk from, and building resilience to, natural hazards in New Zealand.

New Zealander is highly exposed to natural hazard risks. This includes geological hazards such as earthquakes, landslides, volcanic activity and tsunamis, as well as weather related hazards such as storms and floods. We have seen ample evidence of these risks recently, from the major flooding events across the South Island this winter, to research on the likelihood of a rupture of the Alpine Fault, which we are actively trying to prepare communities for.<sup>2</sup>

Our risk profile is also becoming more complex as the effects of climate change becomes apparent, and we will be exposed to more frequent and more severe weather events as a result. Managing the implications of climate change and natural hazard risk can, and should, be complementary – mitigating the impacts of one can improve outcomes in regard to both.

For many New Zealanders, their homes are their largest financial asset. If they can no longer be insured due to natural hazard risk, or that insurance becomes unaffordable, then the

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<sup>1</sup> The EQC scheme insures against damage to residential buildings and land resulting from earthquakes, landslips, volcanic eruptions, hydrothermal activity, tsunamis, or natural disaster fire; and damage to residential land caused by storm or flood.

<sup>2</sup> See <https://af8.org.nz/>

consequences for people are severe. Keeping natural disaster insurance accessible and affordable to all New Zealanders is one of the key drivers of the EQC scheme. This is why we also invest in resilience, and why it's so important to ensure resilience up front in how New Zealand plans for, and builds housing and supporting infrastructure in the first place

We are aware of the multiple pressures and competing outcomes facing the housing and urban development system and the need to balance these. However, our primary concern in regard to the GPS-HUD is to ensure that natural hazard risk is properly taken into account in housing and urban development decisions, and given sufficient weight compared to other outcomes.

### **Feedback on the GPS-HUD**

EQC supports the intent of the GPS-HUD. We agree that there is a strong need for an overarching vision and strategy to guide housing and urban development in New Zealand, and clear priorities and a basis for co-ordinated action across the entire system.

We also support taking a long-term view, as the decisions being made now will have implications for decades to come – urban development that fails to appropriately take natural hazard risk into account will increase the vulnerability of homeowners and communities to the significant financial and human costs of natural disasters, and the liability faced by EQC on behalf of the Crown.

The GPS-HUD is an important opportunity to help ensure that New Zealand's homes and urban environments are more resilient and better prepared for the natural disasters that we know will occur in the future. EQC considers that improving resilience to natural hazards should be given greater emphasis in the vision, outcomes, focus areas and actions of the GPS-HUD. We believe that this can be reflected in a number different ways, as described below. Page numbers refer to the relevant section in the discussion document.

#### *Vision and Outcomes:*

- The current vision statement lacks any reference to communities being resilient. We suggest an amended vision that includes "...a thriving, inclusive, sustainable **and resilient** community".
- Resilience to natural hazards should be given greater weight as a part of the "thriving communities" outcome. We suggest including this in:
  - The outcomes statement itself, for example: "...places that are affordable, connected, environmentally sustainable, safe, **resilient to natural hazards**, and inclusive"
  - An additional bullet point under the description of "what we expect to see" (page 32) to make clear that a thriving community needs to be resilient and prepared for the impact of natural hazards

- We note there are references to ‘safe’ places under this outcome – it is unclear what this covers, but potentially this could be broadened to include being resilient to natural hazards.
- Under the “wellbeing through housing” outcome, we support the focus on improved quality of existing houses – we would also suggest that improved quality should support homes that are better built and more resilient, alongside the health and climate outcomes that are already included (page 33).

### *Focus Areas*

- EQC supports the focus area to “provide homes that meets people’s needs”, but note that living in a resilient home should also be considered as an important part of meeting needs. We suggest that:
  - Under what needs to happen (page 46), “Incentivising the creation of more affordable, healthy, low-carbon, and accessible homes” could be expanded to include reference to **safe** or **resilient** homes.
  - An additional proposed action be included, such as “**work to increase the construction standard of buildings, to ensure homes are safe, and resilient including to natural hazards**”.
- Under the focus area “ensure that more affordable houses are being built”, while we agree that freeing up more land for housing is important, it should not come at the expense of increasing natural hazard risks. This point could be noted on page 41, which states that development should “avoid unnecessary urban sprawl and protects highly productive rural land”, by adding that it should also **avoid development that significantly increases risk from natural hazards**. For example, we are aware of proposed developments that have been consented, but are located in places that are extremely exposed to sea level rise.<sup>3</sup>
- Natural hazard risks should be considered as a critical part of strategic planning, and suggest that the following action (page 43) be amended as follows:
  - Undertake joint strategic planning at a regional level, involving all relevant agencies prioritising key housing and urban outcomes, as well as taking the appropriate steps to reduce emissions, **increase communities’ resilience to natural hazards**, preserve or improve the natural environment, and protect highly productive rural land.
- Under the focus area of “supporting resilient, sustainable, inclusive and prosperous communities” we suggest that:
  - This focus area should note that many of our communities are built in areas with high natural hazard risk. These areas will require careful planning in the future so that risks are not increased but reduced, as well as increasing the resilience of existing housing stock.
  - Under what we would expect to see (page 48) – “Planning decisions that are informed by evidence and result in urban development that reduces emissions and reduces risks from **natural hazards and** climate change...”

<sup>3</sup> E.g. Boathouse Bay at Snell’s Beach, Auckland (<https://boathousebay.co.nz/>) which is likely to need a plan for managed retreat, before it is even built.

and under what needs to change – “Emissions reduction, **natural hazards** and adaptation planning will need to be central to this planning.”

- The emissions created by premature building demolition due to damage from natural hazards outweigh the potential for higher emissions from strong building techniques. We suggest amending the proposed action on page 49 to: “Develop an Emissions Reduction Plan that mitigates housing and urban greenhouse gas emissions, including from residential construction activity, design, and materials (not only in new builds) **and takes a holistic, whole-of-life view of emissions reduction, including demolition.**”
- Under the proposed action to integrate and support local investment in infrastructure (page 49) – we suggest that investment to build climate resilience can and should also focus explicitly on building natural hazard resilience, as these are largely complementary outcomes.

### *Implementation*

- EQC agrees on the necessity of taking a place-based approach to housing and urban issues. We note that the natural hazards and risk profile faced by communities differs significantly across places, and this should be considered when designing the most appropriate mix of solutions.
- Under the proposed government agencies actions (page 68) we suggest increasing resilience to natural hazards should be included in the scope of both the following actions:
  - “Reducing emissions from buildings during their construction and operation and preparing buildings to withstand changes in the climate **and be resilient to natural hazards**”.
  - “ensure the building and construction system is set up to support building performance (quality, productivity and innovation), building for climate change, **natural hazards**, and universal design principles”.
- We recommend revising the following action (page 69) to read: “Ensure that housing and urban development programmes consider co-benefits with regard to factors such as the future of work, climate change mitigation and adaptation, **and hazard risks, including natural hazards** and pandemic/s” – EQC is happy to provide expertise to assist with this action.
- The general direction to Kāinga Ora outlined on page 70 should include specific reference to ensuring that existing Kāinga Ora homes and any new development is suitably resilient to natural hazards – we would suggest that this be reflected in the wording of “...thriving, inclusive, **resilient and** sustainable communities.
- We support the following statement on page 72, but suggest it be amended to read: “Ensure that it does not deliver or facilitate new housing and urban development in places which are **currently and/or** increasingly exposed to natural hazards and/or have an unmanageable climate adaptation risk.”

## How EQC can help

EQC is playing an increasingly active role in cross-government efforts to build New Zealand's resilience to natural disasters. In recent years we have invested time in better leveraging our research, transforming it into useful tools and products, and getting it into the hands of people who can make a difference.

EQC operates in a unique position between central and local government, financial institutions, science and research institutions, and communities – and we have the ability to move between them and make connections. We have a rich source of information and data on natural hazard risks, impacts and loss modelling that can inform housing and urban development decisions.

We would welcome the opportunity to use this expertise to help support the implementation of the GPS-HUD. Please don't hesitate to contact me if you would like to discuss this further, or any other points raised in this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Horrocks', written in a cursive style.

Dr Jo Horrocks

**Chief Resilience & Research Officer**