

Stats NZ,
8 Willis Street,
PO Box 2922,
Wellington 6011.

Tēnā koutou,

TOKA TŪ AKE EQC SUBMISSION ON STATS NZ 'MEASURING AN INCLUSIVE AND SUSTAINABLE ECONOMY' CONSULTATION DOCUMENT

Thank you for the opportunity to submit on Stats NZ's '*Measuring an Inclusive and Sustainable Economy*' consultation document. Toka Tū Ake EQC generally supports the proposed data quality plan (proposed plan) because this aligns with Toka Tū Ake's Strategic Intention to "*collaborate and share information about natural hazards with New Zealanders and other agencies*".

Toka Tū Ake recommends the following changes, to ensure the proposed plan supports our mission, to reduce the impact of natural hazard events on people and property:

- Align the proposed plan with Aotearoa New Zealand's obligations under the Sendai Framework for Disaster Risk Reduction 2015-2030,
- Align the proposed plan with the New Zealand Government National Disaster Resilience Strategy, and;
- Include natural hazards as a 'key specific driver', with associated 'high priority initiatives'.

These recommendations are expanded below.

We also recommend several technical changes to:

- Ensure the proposed plan takes an all-hazard approach, with this reflected in metrics where appropriate, as opposed to metrics being specifically related to recent weather events or the COVID-19 pandemic.
- Broaden indexes related to house and rental prices to fully capture the value and function of housing in Aotearoa New Zealand, and ability to recover after disasters.
- Include disaster loss tracking metrics to ensure availability of insurance and reinsurance for Aotearoa New Zealand.
- Broaden indexes related to building consents to enable tracking of development in high-hazard areas, which has a direct impact on the economy and wellbeing when natural hazard events occur.
- Consistently define risk and resilience terminology.

These are provided in Appendix 1.

As a Crown entity, Toka Tū Ake EQC is responsible for reducing the impact of natural hazards on people, property, and the community by:

- providing natural hazard, residential property insurance against the impacts of natural hazard events;

- facilitating research and education, and contributing to the sharing of information, knowledge, and expertise, in relation to natural hazards, their impacts, and methods of reducing risk and building resilience.

Toka Tū Ake EQC has significant expertise in natural hazard risk management, and we would be happy to discuss our submission further. Please feel free to contact me at the address below to arrange this.

Ngā mihi nui,



Sarah-Jayne McCurrach

Head of Risk Reduction & Resilience

sjmccurrach@eqc.govt.nz

OUR SUBMISSION

Toka Tū Ake generally supports the intent of the proposed plan, specifically:

1. Toka Tū Ake supports the priority to 'build an integrated and inclusive data system, to deliver more relevant and timely data and statistics'.

Collation and sharing of post-disaster data across agencies is a major gap in Aotearoa New Zealand, that is negatively impacting wellbeing and recovery, as well as risk reduction. This proposed plan presents an opportunity to fix this gap.

Toka Tū Ake holds substantial information on natural hazard impacts across Aotearoa New Zealand, and we are actively working to make this information publicly available. We are happy to discuss partnering with other organisations, including Stats NZ, to progress this priority.

Page	Recommended action
11	Toka Tū Ake EQC would be happy to discuss partnering with Stats NZ to make information on natural hazard impacts available to other government agencies and the public.

Recommended Changes

Toka Tū Ake recommends the following substantive changes, to ensure the proposed plan reduces the impacts on people and property when natural hazards occur:

1. Align the proposed plan with Aotearoa New Zealand's obligations under the *Sendai Framework for Disaster Risk Reduction 2015-2030*.

Aotearoa New Zealand is a signatory of the *Sendai Framework for Disaster Risk Reduction 2015-2030*, which 'aims to achieve substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries'¹. This aim aligns with the intention of the proposed plan – to monitor wellbeing and sustainability. Therefore, **we recommend that the *Sendai Framework* should be included alongside other strategic documents** being used to inform the proposed plan. This is in line with the consultation document's stated goal of 'implementing international standards'.

The midterm review of the *Sendai Framework*² specifically recommends the need to:

- 10.4. "Improve collaboration between disaster risk reduction and statistical communities" to "help improve and maintain the quality of disaster risk-related data collection and analysis",
- 10.6 "Improve data standards, enhance data governance, and invest in data technology", including "a priority for Member States should be the circulation and interoperability of data and risk information across domains and data systems, within and among government agencies, and to and from non-State actors", with

¹ <https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030#:~:text=It%20aims%20to%20achieve%20the,over%20the%20next%2015%20years.>

² <https://www.undrr.org/publication/report-midterm-review-implementation-sendai-framework-disaster-risk-reduction-2015-2030>

further focus needed for “specific government entities to be identified and supported to act as clear focal points for disaster risk data collection and analysis”, “creating governance arrangements that break down data silos and facilitate the creation of detailed and open data sets”, and “designing interoperable data systems”.

Page	Recommended action
5	Include the Sendai Framework for Disaster Risk Reduction 2015-2030 alongside other strategic documents being used to inform the proposed plan.

2. Align the proposed plan with the New Zealand Government *National Disaster Resilience Strategy*.

The National Disaster Resilience Strategy³ is an all-of-government strategy, intended to provide “a common agenda for resilience that individual organisations, agencies and groups can align with for collective impact”. This includes for central government to “use the Strategy to guide them in building resilience both for their own organisation, and for the people and communities they support or provide services for”. This aligns with the intention of the proposed plan – to monitor wellbeing and sustainability. Therefore, **we recommend that the *National Disaster Resilience Strategy* should be included alongside other strategic documents** being used to inform the proposed plan.

Objectives 6 and 12 are particularly relevant to the proposed plan:

- “6. Understand the economic impact of disaster and disruption, and the need for investment in resilience; identify and develop financial mechanisms that support resilience activities”.
- “12. Improve the information and intelligence system that supports decision-making in emergencies to enable informed, timely, and consistent decisions by stakeholders and the public”.

Page	Recommended action
5	Include the National Disaster Resilience Strategy alongside other strategic documents being used to inform the proposed plan, with specific focus on Objectives 6 and 12.

3. Include natural hazards as a ‘key specific driver’, and include disaster loss tracking metrics as a ‘high priority’ initiative.

Aotearoa New Zealand is exposed to many natural hazards. These are absent from the identified ‘key specific drivers’. Natural hazards kill and injure people, and destroy livelihoods and property (amongst many other impacts). They have a substantial impact on wellbeing and the sustainability of the economy. In the last 15 years, Aotearoa New Zealand has seen an unprecedented number of natural hazard events costing billions of dollars. Therefore, **we strongly recommend natural hazards are included as a ‘key specific driver’ informing the development of the proposed plan.**

³ <https://www.civildefence.govt.nz/assets/Uploads/publications/National-Disaster-Resilience-Strategy/National-Disaster-Resilience-Strategy-10-April-2019.pdf>

Similarly, disaster loss data tracking metrics are not included in the consultation document. These metrics assist government agencies, universities, the private sector, and the public, to direct investment in research, risk reduction and reduce impacts and improve recovery from natural hazards. This ultimately improves our wellbeing and the sustainability of the economy. This also aligns with the midterm review of the *Sendai Framework*² which states that it is “imperative for Member States to enhance their implementation and improvement of disaster loss databases... at the national level”. Therefore, **we strongly recommend including disaster loss tracking metrics as a ‘high priority’ initiative.**

Page	Recommended action
6	Include natural hazards as a ‘key specific driver’ informing the development of the proposed plan.
8	Include disaster loss tracking metrics as a ‘high priority’ initiative.

Toka Tū Ake also recommends several technical changes, to:

- Ensure the proposed plan takes an all-hazard approach, with this reflected in metrics where appropriate, as opposed to metrics being specifically related to recent weather events or the COVID-19 pandemic.
- Broaden indexes related to house and rental prices to fully capture the value and function of housing in Aotearoa New Zealand, and ability to recover after disasters.
- Include disaster loss tracking metrics to ensure availability of insurance and reinsurance for Aotearoa New Zealand.
- Broaden indexes related to building consents to enable tracking of development in high-hazard areas, which has a direct impact on the economy and wellbeing when natural hazard events occur.
- Consistently define risk and resilience terminology.

The above technical changes are provided in Appendix 1.

APPENDIX 1: TECHNICAL RECOMMENDATIONS

Page	Issue	Recommended action
4	“...drivers... continue to impact our statistics and the recent weather events reinforce that”.	<p>Where appropriate, design new metrics to be non-event specific, and use an all-hazards approach.</p> <p>Climate change will exacerbate impacts associated with all natural hazards, meaning an all-hazards approach enables better and more consistent tracking of the impacts of events on the economy and wellbeing.</p>
6	“Impacts of climate change and weather-related events”.	<p>Business as usual (BAU), as opposed to event-specific reactionary tracking will also enable tracking of our preparedness for future shocks and stresses to minimise the impacts of future events.</p>
13	Proposed house and rental price indexes	<p>Broaden indexes related to house and rental prices to include:</p> <ul style="list-style-type: none"> • Housing availability • Insurance availability • Safety of housing stock • Rebuild cost • Levels of underinsurance <p>House and rental prices do not fully track the ability of people to obtain safe places to live, nor the exposure to natural hazard risk, including through the removal of insurance and affordability to recover from a natural hazard event. This affordability has a direct impact on the economy and wellbeing.</p>
20	“Changes to the way insurance transactions are reported (IFRS). Insurers are required to adopt consistent valuations based on economic conditions.... impacting insurance contracts.”	<p>Include disaster loss tracking metrics to ensure availability of insurance and reinsurance for Aotearoa New Zealand.</p> <p>Tracking disaster loss data improves disaster loss modelling. This is used by insurance and reinsurance companies to assess provision on insurance services. Insurance services are critical for Aotearoa New Zealand disaster risk management and significantly impact economic recovery and wellbeing following natural hazard events.</p> <p>We recommend prioritising domestic and international financial reporting standards within the proposed plan.</p>
21	“Anticipated future use to better understand insurance flows using a more consistent approach”.	
24	‘...better measuring of the impact of the COVID-19 pandemic	<p>Broaden metrics to be non-event specific.</p> <p>An all-hazards approach enables better and more consistent tracking of the impacts of events on the economy and wellbeing.</p>

	on construction activity’.	<p>BAU, as opposed to event-specific reactionary tracking will also enable tracking of our preparedness for future shocks and stresses to minimise the impacts of future events</p> <p>We recommend tracking:</p> <ul style="list-style-type: none"> • supply chain availability • workforce availability • repair, demolition and construction costs.
27	‘Experimental building consent series to better understand elapsed time between consent being issued and work completed’	<p>Broaden indexes related to building consents to:</p> <ul style="list-style-type: none"> • Track the number of building consents occurring in known high natural hazard risk areas. • Track the number of works being completed in high natural hazard risk areas. <p>Building development in high natural hazard risk areas is a known problem in Aotearoa New Zealand that is avoidable, especially if relevant statistical data is used. In addition to measuring building consent elapsed time, tracking building consents in high hazard areas will provide important information that can be used to reduce national risk and enable smarter land-use planning.</p>
41	“...measuring and analysing future wellbeing, risk and resilience across a range of economic, social, environmental outcome domains”	<p>Consistently define risk and resilience terminology.</p> <p>The terminology of ‘risk’, ‘disaster’ and ‘resilience’ is used inconsistently throughout the document. We recommend aligning risk and resilience terminology with that defined in the National Disaster Resilience Strategy³.</p>
44	“...demand from Treasury, IR, RBNZ and others to improve understanding of inequality and risk”.	
46	“Nature’s contribution to wellbeing”.	<p>Ensure this metric includes natural hazards impacts.</p> <p>It is unclear in the document if this proposed metric will include the effects of natural hazards on wellbeing. We recommend including these impacts, to fully account for the economic and wellbeing impacts of natural hazards.</p>