

## **IAG SUBMISSION**

### The Proposed Auckland Unitary Plan

28 February 2014

## Introduction

1. IAG is grateful for the opportunity to lodge a submission on the Proposed Auckland Unitary plan ("Proposed Plan"). IAG has a direct interest in natural hazard planning and management, and therefore the scope of this submission is confined accordingly.
2. IAG could not gain an advantage in trade competition through this submission.
3. IAG wishes to be heard in support of this submission.
4. IAG's contact for matters relating to this submission is:

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## Our thinking

5. IAG is eager to see Auckland continue to develop and prosper; and to achieve its vision of being the world's most liveable city.
6. However, IAG is concerned to ensure that development occurs in a sustainable way and does not unnecessarily expose households and businesses to the risk that arise from natural hazards.

## Natural hazards are a strategic risk to Auckland

7. New Zealand sits just below the 'roaring forties' and atop the collision zone of two major tectonic plates, exposing New Zealand to forces that continue to shape its dramatic and beautiful landscapes.
8. Each year we are jolted by over 150 felt earthquakes, battered by numerous storms and tornadoes, inundated by floods, see our coastlines erode and hills slip, and are exposed to eruptions and tsunamis. These hazards are exacerbated by climate change, and the development and use of land amplifies their impacts and consequences.
9. While some of these hazards may be rare, the risk is ever present and the impacts potentially significant. This is why natural hazards are recognized as a number of our national security risks. For example, an eruption in the Auckland volcanic field is considered one of the risks with the most catastrophic potential, and could easily surpass the impact of the Christchurch earthquakes.
10. The scale of natural hazard risk is reflected in Auckland's Civil Defence and Emergency Management (CDEM) Plan, which identifies an eruption in the Auckland Volcanic Field, a distant source eruption (read central North Island), an earthquake, a cyclone, a tsunami, and land-slides as some of its most critical hazards to manage.
11. Any one of these hazards could have large, widespread and long lasting impacts on the physical, economic, social and cultural fabric of Auckland and, in turn, New Zealand.

## Failure to address this risk can lead to considerable harm

12. IAG recognises that the demands of economic and population growth accompanying Auckland's vision will put increasing pressure on Auckland's land and its development.
13. This will inevitably lead to more homes, businesses and infrastructure being put in harm's way, and with it the lives, wealth and wellbeing of Aucklanders. Failure to properly acknowledge these risks and take active steps to counter their impacts and consequences will exacerbate the peril.
14. Any weakening of Auckland's approach to the risks of natural hazards could also diminish insurers' appetites to provide insurance cover for natural disasters and/or increase the price at which that insurance is available, either in aggregate or for individual high risk locations. Over time, those who live in

riskier areas will find insurance to be less affordable, unless new solutions to such risks are found.

15. Worse still, it could affect the confidence and continued participation of investors and reinsurers in New Zealand's insurance market and with it the ability of insurers to provide insurance cover for major natural disasters.
16. Any lessening of the availability and affordability of insurance will have knock-on effects, as insurance has a vital social and economic role. Through the transfer of risk, it enables and protects the wealth Aucklanders have in their homes, businesses and communities, and helps them to recover in their time of need.
17. With insurance, business can take risks, budgeting for growth and development without the fear of unexpected costs arising through damage or loss. Individuals can have the confidence to purchase assets. People can understand where risk resides, and be confident that they are protected and can recover more quickly from misfortune.

## A comprehensive approach to natural hazards is needed

18. It is essential that Auckland:
  - a. understands its risks in relation to natural hazards, as well as their impacts and consequences;
  - b. reduces its exposure and vulnerability to those risks where possible;
  - c. builds resilience to their impact and consequences;
  - d. can transfer risk to a strong insurance industry;
  - e. is able to adapt when they materialise; and
  - f. has the capacity and capability to recover.
19. IAG considers New Zealand's approach to hazard management is fragmented and in need of greater focus, alignment and coordination if it is to achieve a safer and more resilient country. Auckland is no different.
20. IAG considers that the starting point must a clear statement of Auckland's ability and desire to accept (or not accept) the human, economic, social and cultural losses that might arise from natural hazards. The current approach to acceptable and unacceptable risk falls well short of this.
21. This natural hazard 'risk appetite' would then inform the city's strategy for managing natural hazard risk and guide future investment in responding to natural hazard risk. This strategy should: address all elements of natural hazard risk management and resilience (from research through to recovery); take a holistic view of vulnerability and impact by considering the effect of hazards on the economy, society and culture more generally; and be supported by a regional view of vulnerabilities and current investments to identify existing shortcomings and opportunities. The current CDEM plan does not fulfil this need.
22. IAG believes that such a strategy would highlight the need for greater investment in risk prevention and reduction activity and resilience building.

23. While IAG acknowledges that much of this may be outside the scope of the Proposed Plan, all these elements must align if the Plan is to play an important part in avoiding where possible, or mitigating, the risks of natural hazards. It is impossible to prevent, or even predict, the occurrence of natural hazards, but proactive planning measures can and should be taken to reduce the impacts and consequences in the event that a natural disaster should occur.

### The unitary plan has a vital role to play

24. Auckland is required under the RMA to keep records of natural hazards to the extent that the local authority considers appropriate for the effective discharge of its functions. Those functions include the avoidance or mitigation of natural hazards. This should consider all natural hazards as identified in the Auckland CDEM plan.
25. IAG is of the firm belief that all identified natural hazards can and should be addressed in some way through how we use and develop our land. This can be in the form of reducing exposure or vulnerability to the hazard (risk reduction) or by enabling the response to and recovery from a disaster.
26. In our view, if the Proposed Plan is to be successful, the framework in relation to natural hazard planning needs improvement. It must unambiguously and robustly connect each natural hazard present in the region (as identified in the CDEM plan) to clear policy on how the risk will be addressed through land use planning and consenting where possible, which in turn must relate directly to rules that will apply to managing the impact of and consequences on the hazards on the built environment. The Proposed Plan does not achieve this for all hazards.
27. Furthermore, the Proposed Plan should seek to reduce the hardship and loss experienced by people and communities in the event that a natural disaster occurred. It should also enable them to recover more quickly and assuredly, giving households and businesses confidence and encouraging positive knock-on economic and social outcomes that benefit the region as a whole.
28. We acknowledge the challenges inherent in achieving this. Some of these challenges include the availability of robust and consistent hazard data; the defensibility of policies and planning rules; ensuring the equitable treatment of rate payers across the region; maintaining property rights; addressing the legacy of existing development; all the while enabling the development of Auckland.
29. We also acknowledge that a large proportion of Auckland's strategic transport and lifeline infrastructure is already in place. The Proposed Plan must allow this to be established, operated, maintained and upgraded, including enabling its providers to protect their assets and make them resilient to future disasters.
30. Overall, IAG's proposed amendments seek to provide a better framework for controlling land use and avoiding (as far as reasonably possible) risks associated with natural hazards.

31. IAG's proposed amendments would ensure that those operating under the Proposed Plan recognise and provide for the effects of natural hazards, and allow the Council greater powers in relation to resource consent applications for certain types of developments which may create risk associated with natural hazards.
32. It is essential that the Council has a robust process in place in respect of natural hazards, in order to avoid poor planning decisions. Given the potentially catastrophic consequences of natural disasters on the health and well being of people and communities (in both a physical and economic sense), such decisions cannot be made lightly.

## The proposed plan

### Areas of support

33. For the provisions of the Proposed Plan that IAG supports, those provisions:
  - a. will promote sustainable management of resources, achieve the purpose of the RMA, and are not contrary to Part 2 and other provisions of the RMA;
  - b. will enable the social, economic and cultural well-being of the community in the Auckland region;
  - c. will meet the reasonably foreseeable needs of future generations; and
  - d. represent the most appropriate means of exercising the Council's functions, having regard to the efficiency and effectiveness of the provisions relative to other means.
34. More specifically, IAG supports the following aspects of the Proposed Plan:
  - a. The recognition given in the Regional Policy Statement (RPS) of the need to minimise risks caused by a natural hazard.
  - b. The acknowledgement in the RPS that the risk of subdivision, use and development in areas affected by coastal hazards is minimised, although IAG recognises that existing development within the coastal environment needs to be provided with essential infrastructure services, and that there is significant infrastructure within the coastal environment that needs to remain in that location.
  - c. The identification in the RPS that the mitigation of natural hazards is recognised and enhanced where possible.
  - d. The recognition in the RPS that risk to people, property and infrastructure from natural hazards should be reduced, acknowledging that in some cases this may be through reducing exposure and or vulnerability.
  - e. The general approach taken to flooding. IAG considers that these provisions are more prescriptive than other provisions relating to natural hazards in the Proposed Plan, and the proposed rules are a good start to providing a robust framework. However, the use of a single 1-in-100 year average return interval (ARI) fails to reflect that

communities are exposed to all manner of likelihoods and impacts at the same time and those impacts can vary considerably over a region. IAG encourages the Council to move towards a more holistic view of likelihood and impact.

- f. The protection of historic heritage places with considerable or exceptional heritage significance, but this protection must be qualified by the need to ensure that such buildings will not create an increased risk to the public should a natural hazard event occur.
- g. The restricted discretionary activity status for temporary dismantling of buildings for seismic strengthening to meet the requirements of the council's plans prepared under the Building Act. IAG seeks that these provisions be retained as currently drafted.
- h. The provisions of the Proposed Plan that are activity-focussed, as opposed to hazard-focussed (eg focusing on activities that can or cannot be undertaken within a natural hazard area).

## Areas of concerns

35. In relation to those parts of the Proposed Plan that IAG opposes, or seeks amendment to, IAG submits that the Proposed Plan provisions, as notified:

- a. will not promote the sustainable management of resources, will not achieve the purpose of the RMA and are contrary to Part 2 and other provisions of the RMA;
- b. will not enable the social and economic well-being of the community in the Auckland region;
- c. will not meet the reasonably foreseeable needs of future generations;
- d. will not achieve integrated management of the effects of the use, development or protection of land and associated resources of the Auckland region;
- e. will not enable the efficient use and development of assets and operations; and
- f. do not represent the most appropriate means of exercising the Council's functions, having regard to the efficiency and effectiveness of the provisions relative to other means.

36. More specifically, IAG has some concerns with the Proposed Plan, and seeks that it be amended in the following ways:

- a. IAG disagrees that it is "impractical" to address low-frequency high-magnitude risks such as tsunamis, volcanic eruptions and earthquakes through land use planning (as stated in the background section of C.5.12). While these events cannot be avoided, a number of measures can be taken to reduce exposure and / or vulnerability to them; for example, limiting coastal development, limiting development of land at risk of liquefaction, enabling evacuation through resilient transport and emergence response infrastructure, and enabling recovery through relocation and resilient transport and lifeline infrastructure.

IAG considers it is entirely appropriate and practical for such matters to be addressed in planning documents. The Council's current approach fails to adequately address these issues, which only reinforces the fragmented nature of hazard management in New Zealand.

- b. Improve how the Proposed Plan addresses the risks and outcome sought in relation to natural hazards by ensuring it unambiguously and robustly connects each natural hazard present in the region (as identified in the CDEM plan) to clear policy on how the risk will be addressed through land use planning and consenting. The Proposed Plan should also include methods stating how the risks, impacts and consequences of natural hazards on the built environment will be managed. Such methods may involve non-statutory mechanisms, or reference to tools such as the Building Act.
- c. As noted at paragraph, 34(e) above, IAG generally supports the approach taken by the Council to flooding in the Proposed Plan, albeit that the use of a single annual return period is undesirable. However, it is unclear why flooding has been specifically separated out, while other natural hazards are proposed to be "managed" together.

Natural hazards risks are concurrent. This necessitates the Proposed Plan take an all hazards approach that considers the hazards individually and in combination. It demands that the planning response to these hazards is also considered individually and in combination. This will ensure that when the Plan is applied to development in a location it is coherent and commensurate with the impacts and consequences of the natural hazard risk to which it is exposed and the planning outcomes sought.

- d. New Zealand has excellent scientific capability, but currently lacks sufficient data in some areas of natural hazard planning to adequately reduce exposure and vulnerability to natural hazards. The evolution of the collection and translation of data is therefore important to bridge this gap. IAG therefore seeks that provision is made in the Proposed Plan to improve the focus on information gathering to enable the Council to provide developers and the wider community with accurate, robust information on hazards and their risks. Robust standards must be put in place to support this (for example, by, in appropriate situations, requiring applicants to provide adequate data when they seek to develop in areas with known natural hazard risks).
- e. Many of the objectives and policies in the Proposed Plan are vaguely worded and will not appropriately provide for the avoidance or mitigation of the effects of natural hazards. IAG considers that the focus of the objectives and policies should be on reducing exposure to natural hazards first and foremost, and where this is not possible or appropriate, mitigation measures should be put in place. The risk of exposure to natural hazards on people and property can be reasonably managed by avoiding development in known hazard areas where that is possible and appropriate, or by otherwise providing for the mitigation of those effects.
- f. Some of the rules relating to proposed activities in areas that may be subject to natural hazards are overly permissive and should be

reviewed against the Council's appetite for risk. IAG seeks that, for example, additional assessment criteria and/or information requirements be included to enable decision-makers and developers to appropriately understand and assess the risks of locating an activity in a hazard area, and demonstrate the ways in which risks will be managed. IAG acknowledges that developers will often include this information in their assessments of environmental effects (AEE) accompanying their applications, but the Proposed Plan should make explicit that if that information is not included in the AEE, the Council will require it.

- g. Provision should be made to locate vulnerable activities outside areas of land that are vulnerable to natural hazards where possible or appropriate. Many vulnerable activities (for example schools, hospitals and care facilities), require large-scale evacuation of young, sick or elderly people should a crisis event occur, increasing the risk to them, as well as any support staff. IAG therefore seeks that a more proactive approach to risk management is taken in relation to vulnerable activities in areas which may be at increased risk of natural hazards.
- h. While, as noted at paragraph 34(f) above, IAG supports the protection of historic heritage places with considerable or exceptional overall heritage significance to the Auckland, this protection must be qualified by the need to ensure such buildings will not create an increased risk to the public should a natural hazard event occur. The devastating effects of the Canterbury earthquakes illustrated the consequences of protecting historic buildings at all costs. A balancing exercise must be taken and public safety must be weighed against other reasons for declining to demolish, re-strengthen or relocate a building deemed to be unsound. IAG seeks the inclusion of policies in the Historic Heritage overlay provisions to provide that buildings in areas vulnerable to natural hazards are not covered by these blanket protection rules. For these reasons, IAG seeks that the Historic Heritage rules are revisited to allow for the possibility of demolition of historic heritage places where the retention of these places create a risk to public safety.
- i. IAG supports the accurate identification of land vulnerable to natural hazards, based on robust data. Such identification could be strengthened by introducing a specific overlay in the maps section of the Proposed Plan which would allow the public to easily identify land in the region which is vulnerable to natural hazards, and give additional recognition to the risks of developing in such areas. However, this information should only be included if based on robust information, scientifically based and proven. The Council needs to assess and understand this land and these risks urgently.
- j. IAG considers that amendments are necessary to a number of definitions related to natural hazards, and new definitions are necessary in order to improve the workability of the Proposed Plan. IAG's proposed new and amended definitions are set out in the **Schedule** to this submission.

## Relief sought

37. IAG seeks the following decision:

- a. that the Proposed Plan be amended to address the concerns set out in this submission; and
- b. such further or other consequential relief as may be necessary to fully give effect to the relief sought in this submission.

## Schedule

Reasoning	New definition Proposed
<p><i>The term "natural hazard" is used widely throughout the Proposed Plan, yet is not defined. To clarify the use of the term, IAG seeks that a definition of "Natural hazard" is used. The proposed definition is that used in the RMA.</i></p>	<p>Insert a new definition as follows:</p> <p>Natural hazard</p> <p>Natural hazard means any atmospheric or earth or water related occurrence (including earthquake, tsunami, erosion, volcanic and geothermal activity, landslip, subsidence, sedimentation, wind, drought, fire, or flooding) the action of which adversely affects or may adversely affect human life, property, or other aspects of the environment</p>
<p><i>The Plan's method of identifying land that "may be subject to natural hazards" is simplistic and focuses for the most part on slope instability and coastal erosion / inundation. There is no attempt to include land which may have a high risk of low-frequency but high magnitude events such as earthquakes, volcanoes or tsunami.</i></p> <p><i>Additional criteria should be inserted, with technical input, as to what land Auckland Council considers is vulnerable to natural hazards, depending on the Council's appetite for risk. Whatever that appetite is, the Council should be very clear about it.</i></p>	<p>Land <del>which may be subject</del> vulnerable to natural hazards</p> <p>Any land:</p> <ul style="list-style-type: none"> <li>▪ within a horizontal distance of 20m landward from the top of any coastal cliff with a slope angle steeper than 1 in 3 (18degrees)</li> <li>▪ on any slope with an angle greater than or equal to 1 in 2 (26degrees)</li> <li>▪ at an elevation less than 3m above MHWS if the activity is within 20m of MHWS</li> <li>▪ any natural hazard area identified in a council natural hazard register/database or GIS viewer</li> </ul>
<p><i>IAG supports the recognition given to vulnerable activities. However, IAG's suggested amendments ensure that this recognition is extended to the full suite of natural hazards, rather than being limited to flooding.</i></p>	<p>Vulnerable activities</p> <p>Activities where there is permanent occupation of buildings and concentrations of people who are likely to have difficulty coping with physical threats from natural hazards, <del>including flooding,</del> and/or limited resilience to the adverse effects of <del>natural hazards, flooding to property and their contents.</del></p> <p>Includes:</p> <ul style="list-style-type: none"> <li>▪ all types of residential development (permanent and temporary, including residential dwellings, visitor accommodation units, lodges and boarding houses, residential care and retirement units) including associated entrance lobbies, basements, storerooms and garages, both attached and detached</li> <li>▪ care centres</li> <li>▪ education facilities</li> <li>▪ healthcare facilities with overnight stay facility</li> <li>▪ community facilities.</li> </ul>