

## Submission to the Department of Internal Affairs

### *Proposals for regulations for natural hazard information in LIMs*



25 October 2024

#### **Introduction**

The Timaru District Council (the Council) thanks the Department of Internal Affairs for the opportunity to submit on proposed regulation changes for the natural hazard information contained in LIMs.

This submission is made by the Timaru District Council, 2 King George Place, Timaru. The contact person for Council is Nigel Bowen, Mayor of the Timaru District, who can be contacted at Timaru District Council, phone (03) 687 7200 or PO Box 522, Timaru 7940.

The contact person regarding the submission content is Brendan Madley, who can be contacted via [brendan.madley@timdc.govt.nz](mailto:brendan.madley@timdc.govt.nz). We do not wish to speak to this submission.

We endorse the submission made by the Canterbury Mayoral Forum.

#### **Overview of LIMs in the Timaru District**

The Timaru District Council is a local authority in the South Island serving over 48,000 people in South Canterbury. The main settlement is Timaru, with other smaller settlements of Geraldine, Pleasant Point and Temuka.

The number of LIMs processed in the financial year to date, and the preceding three years, is outlined below.

2021/22 – 1,077

2022/23 – 952

2023/24 – 1,076

2024/25 (year to date) – 335

#### **General comments**

Council agrees in principle with the proposal's intention to improve the quantity and quality of information contained within LIMs, and to improve the ability for readers to use it meaningfully as the basis for decision making.

Our main concern is that the regulations as drafted may not allow this intention to be realised as fully as possible. Principally, in a number of areas, we believe that clarification is required to assist local authorities, and to ensure a high standard of consistency across all councils.

### **Summary of requests or changes sought**

- Explicit definitions about each category of natural hazard, and thresholds for disclosure.
- Confirmation whether projected future hazards are required to be included and, if yes, details about information to provide.
- The development of best practice guides/ exemplars to accompany any amended regulations.
- A phase-in period to allow local authorities to make the necessary changes to their systems and workflows.
- That LIMs include a disclaimer that checking insurability is an important step incumbent on the purchaser.

### **Clarifications**

Council considers that aspects of the proposed regulations lack specificity, to the extent that they could create unintended consequences and/ or undermine the intention of the changes.

There is a potential risk that councils will, on the grounds of caution and completeness, provide too much information about the new categories. Unlike the existing categories, there is not years of experience and precedent to guide decisions about whether to include or exclude certain material, or whether it may be relevant. It is possible that, without clear guidance around relevance and materiality, LIMs will contain an overwhelming amount of material that reduces the clarity and usefulness to the reader.

Specifically, we seek:

- Explicit definitions about each category of natural hazard, and thresholds therein, to allow understanding of what information is in or out of scope. For example, is all known earthquake damage required to be disclosed, or only those over a certain magnitude or which caused a certain level of damage? Is all flooding required to be disclosed, or only flooding over a certain depth or which caused a certain level of damage?
- Confirmation whether projected future hazards are required to be included. If yes, confirm the timeframe (how far ahead required), the level of change (for instance, which IPCC warming scenario should be used?), and the level of information required. Most of the climate change projections are based on a 5km grid resolution. Is this high-level information considered sufficiently useful, despite not being at the property level? Whilst LIMs are normally considered snapshots in time and are based on historic information, climate adaptation requires a future focus where the future contains higher and different risk than the past, in many locations.

Further, Council recommends the development of best practice guides/ exemplars to accompany any amended regulations. Such material can provide local authorities with the confidence that they are applying the regulations correctly, can help manage the expectations of LIM requesters, improve standardisation and consistency across different councils, and assist with any potential dispute resolution.

### **Impact on the processing of LIMs**

We note that any changes to LIM regulations will have flow-on effects for local authorities in regard to LIM workflows and the ability to resource the work effectively. The production of LIMs is expected to become even more manual and time-consuming than currently, whilst these are adjusted to meet the new requirements.

The regulations currently are proposed to come into force upon receiving assent. We instead recommend a phase-in period to allow local authorities to make the necessary changes to their systems and workflows, to minimise disruption to staff and LIM requesters. A three to six month phase-in period would seem appropriate.

### **Insurance and liability considerations**

The insurance industry is reassessing risks in the light of climate change. We consider that where they become unwilling to (affordably) insure a property, that decision will become perhaps the most important information required by a site owner or prospective owner. LIMs should not be expected to carry that commercial information responsibility, and should also prompt consideration of the future and changing risk due to climate change.

Therefore, we recommend that LIMs are required to include a disclaimer that checking insurability is a crucial step prior to making a purchase, “because the industry is reassessing risks driven by climate change.”

Further, we note that there are additional liability risks to councils, particularly in relation to plain language summaries. It is important that the regulations minimise this exposure where possible, either by being explicitly more prescriptive or by explicitly affording councils discretion to determine the content of a summary.

### **Conclusion**

Thank you again for the opportunity to submit on this proposal. Please do not hesitate to contact us via [brendan.madley@timdc.govt.nz](mailto:brendan.madley@timdc.govt.nz) if you have any questions or wish to discuss aspects further.

Ngā mihi



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Nigel Bowen  
**Mayor**