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Hon Chris Bishop Minister for Infrastructure Parliament Buildings WELLINGTON

6 December 2024

Dear Chris

I read with interest your recent media release on the Government's second Quarterly Investment Report. It was your comments relating to gaps in our understanding of the state of the Crown's assets that particularly caught my attention, following on as they did from our discussion on 21 November and my subsequent letter to you.

Your comments draw attention to yet another example of the importance of having better environmental information – in this case, the challenges of managing risks to assets from hazards and extreme weather events. I outlined my thinking on this issue in a note sent to the Minister of Finance Nicola Willis in August of this year. I have attached this note for your information. I think you will find it useful reading.

In summary, I argue that in order to respond to the challenge of climate adaptation, the Crown must have a better understanding of the magnitude of its own exposure. The first priority for central government must be understanding the risks surrounding Crown-owned or controlled assets, before moving onto local government (which the Crown partly underwrites) and private assets (where any Crown liability based on past precedent is debatable). The underlying information needed to understand the risk facing Crown-owned or controlled assets would provide an excellent basis for understanding the risks facing other assets.

For that asset information to be useful, it should be coupled with improved hazards information. I understand that is something Ministers have already asked officials for further advice on.

This is another case where there is a solid business case for investing in quality information which could also bring wider public good benefits. Without such knowledge, I believe it will be impossible for officials to either lead or create a framework for managing adaptation.

I note that this view is also supported by Infrastructure New Zealand as evidenced by its <u>recent</u> <u>position paper on climate adaptation</u>. One of the paper's key recommendations is the need for improved data collection and governance alongside the implementation of standards to improve the quality of data needed for risk assessment.

I will continue to monitor progress on this score. Where high quality information is lacking, wellinformed decisions are unlikely.

Yours sincerely

Simon Upton

Parliamentary Commissioner for the Environment Te Kaitiaki Taiao a Te Whare Pāremata

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Hon Simon Watts - Minister of Climate Change

Hon Penny Simmonds – Minister for the Environment