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Canterbury flood bill set to be NZ's biggest in climate change scenario

NATURAL DISASTERS
Blayne Slabbert

Canterbury could face New Zealand's biggest annual flood-damage bill for infrastructure by 2075, with power, water and road networks carrying most of the projected cost.

New modelling prepared for the New Zealand Infrastructure Commission estimates the region's average annual infrastructure losses from inland and coastal flooding could rise from \$65.1 million in 2025 to \$113.6m by 2075 under a high-emissions climate scenario. That would put Canterbury ahead of Waikato, at \$107.1m, and Auckland, at \$97.1m.

The figures do not mean Canterbury should expect one \$113.6m flood every year. They are an annual average across many possible events, including years with little damage and years when the repair bill would be far higher.

The report comes as intense rain drenched the South Island's east coast this week, with inland areas near Kaikōura recording up to 340mm in just 60 hours. Kaikōura itself received 162.4mm – nearly triple its average July rainfall in just three days.

The deluge caused rivers to overflow, with the Kowhai River breaching stopbanks.

The Cribb Creek Bridge on the Inland Kaikōura Road was washed away, with two men having a lucky escape after their cars plunged into the river when the bridge approach collapsed beneath them.

A state of emergency was declared for the Kaikōura district on Tuesday, with State Highway 1 closed both north and south of the town, leaving it inaccessible by road. Surface flooding, gravel movement and significant damage to local infrastructure was reported across Kaikōura, Selwyn and Hurunui districts.

Damage assessments were under way yesterday but faced challenges, with road closures limiting access to the isolated district.

The research, carried out by Earth Sciences NZ, says flood-related infrastructure losses are expected to rise across the country over the next 50



The Tyntesfield bridge, in Marlborough's Waihopai Valley, has been destroyed this week by a raging river. Flooding will cause greater damage to road networks in future. GAVIN HADFIELD

Read more
Flood toll rises as waters recede
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years, but not evenly. It says flood-related financial losses are expected to exceed those from any other natural hazard in most regions over the coming decades.

For the South Island, the biggest dollar figure sits with Canterbury, but territorial authorities such as Waimakariri, Buller, Invercargill, Nelson and Tasman face sharper exposure where flood losses are high compared with the size of local infrastructure networks.

The commission said the work was designed to help governments and infrastructure owners decide where flood-protection spending would make the most difference. "Infrastructure decisions made today will shape New Zealand for decades," said Graham Campbell, the commission's director of economics and research. "If we don't size the risk, investment decisions risk being either too cautious or too costly," he said.

On the West Coast, average annual

infrastructure flood losses are projected to almost double, from \$12.2m in 2025 to \$23.8m by 2075 under the same high-emissions scenario.

Nelson-Tasman's losses rise from \$13.3m to \$25.3m, while Southland's increase from \$19.4m to \$28.1m.

For the West Coast and Nelson-Tasman, the private-building figures add another layer.

Both areas are among those where flood losses to homes and businesses are high relative to asset values, meaning the pressure may not fall only on public infrastructure budgets, but also on households, insurers and business owners. "Annual flood damage to private buildings is forecast to grow significantly over the next 50 years," said Dr Nick Horspool, senior natural hazard risk scientist at Earth Sciences NZ.

Waimakariri stands out as one of the South Island districts where flood losses are high compared with the size of its infrastructure network.

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OCR hike not the one for Willis to fret about

OPINION
Henry Cooke

Time to take their foot off the gas.

That was the way Nicola Willis described the first official cash rate (OCR) rise from the Reserve Bank in three years yesterday afternoon, as Anna Breman and co "essentially easing their foot a little bit off the accelerator that has been in place in the New Zealand economy in recent months".

She was accurately describing the Reserve Bank's view that its OCR has been broadly stimulatory to the economy.

But many in New Zealand might be wondering if the car is just revving in neutral. Growth per capita is as stalled as a learner driver at a green light. The 163,000 unemployed at the end of the March quarter aren't moving either. The businesses still waiting for consumer spending to properly rebound and the 46% of Kiwis who told ANZ they are worse off now than they were at this point last year don't seem to be rocketing ahead.

Cuts or hikes to the central bank's interest rate take a long time to filter into the wider economy, meaning the settings from several months ago might not have an impact until the end of the year.

But the economy of the first half of this year is not the one Willis would have hoped for heading into a tight election. This makes it virtually impossible for her to get any political capital by arguing that the only reason the hike is possible is because of growth.

This is not, however, the worst possible point for a hike this year. Home loan rates have already risen this year in anticipation and most mortgagees are already fixed, so the immediate impact on voters is minimal. While some disagree with the need for the hike in the first place, the bank seems clear on the need for one, given the decision was unanimous.

The emotive impact of rates going up is real. The news of a hike itself can – and is often designed to – impact consumer and voting behaviour very quickly.

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