



Talking points: Adaptation framework - Cabinet Economic Policy Committee

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Actions sought from ministers	
<i>Name and position</i>	<i>Action sought</i>
To Hon Simon WATTS Minister of Climate Change	Read these talking points before ECO on Wednesday 10 April

Appendices and attachments
1. Suggested talking points

Key contacts at Ministry for the Environment			
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Talking points: Adaptation framework - Cabinet Economic Policy Committee

Purpose

1. This aide memoire provides you with talking points to support your *Progressing the adaptation framework* item at the Cabinet Economic Policy Committee on 10 April.

Context

2. You are seeking Cabinet approval to:
 - i. progress an adaptation framework based on clear guiding principles, to establish an enduring and joined-up approach
 - ii. present a motion to initiate a Finance and Expenditure Committee (FEC) inquiry into adaptation and transfer submission from the Environment Committee inquiry into climate adaptation to the FEC.
3. The Cabinet Economic Policy Committee meeting is scheduled for 10 April, followed by Cabinet on 15 April.

Next steps

4. Following Cabinet decisions, Ministry officials will work with your office and the Prime Minister's office on the approach to announcing the Adaptation Framework work programme.
5. We will provide you with a briefing on or before 22 April with information on:
 - i. the forward work programme
 - ii. next steps with the reference group
 - iii. next steps for the FEC inquiry, including:
 - i) options for how to approach the Initial Briefing
 - ii) a draft motion to transfer the Environment Committee inquiry to the FEC (pending progress on preparing the motion with input from the Office of the Clerk).
6. We propose the motion could be debated in the House the week of 29 April, with the inquiry commencing at the meeting of the FEC on 7 May.

Appendix 1: Suggested talking points

Overview of adaptation framework proposal

- It has been over a year since Cyclone Gabrielle, and when the inevitable next disaster strikes, we need to ensure we aren't starting at square one all over again.
- I am seeking Cabinet's agreement to progress an adaptation framework, based on clear guiding principles, to establish an enduring and joined-up approach.

Proposed objectives

- To progress this work, I am seeking Cabinet's agreement in principle to the following objectives to guide work to deliver the adaptation framework:
 - minimise expected long-term costs
 - ensure responses and funding support to property owners, if any, are predictable, principled, fair and rules-based wherever possible (ie, not decided after each event)
 - improve climate risk and response information flows
 - address market failures and support market efficiency
 - ensure people have the incentive and the ability to manage risk.

Proposed workstreams

- Work on the adaptation framework will cover the following four areas:
 - principles for investment in risk response
 - principles for cost-sharing pre- and post-event
 - roles and responsibilities
 - risk and response information sharing.
- Developing principles is my first priority for the adaptation framework. Once developed, I will consider whether legislation is needed so that the principles guide future decisions on adaptation.

Linkages with other key work programmes

- The adaptation framework work programme has linkages with other work programmes led by other Ministers, including:
 - How land use planning and consenting can appropriately manage the growing risks from natural hazards and also enable development in more resilient locations (Resource Management Reform, and RMA instruments such as the National Policy Statement on Natural Hazard Decision-Making, Going for Housing Growth work programme, and reform of the building consent system)

- Unlocking investment in infrastructure and ensuring it is resilient to changing hazards (Critical Infrastructure Resilience work programme, Infrastructure Funding and Financing tools, Regional Infrastructure Fund - including consideration of Beyond the Deluge - local government's proposal for central Government co-funding in flood protection infrastructure - and Local Water Done Well)
- Emergency management system improvements, including recovery settings.
- I will work with the Ministers responsible for the work programmes outlined above to:
 - align objectives as far as possible
 - manage trade-offs through appropriate governance arrangements such as regular meetings, bilaterals or the Climate Priorities Ministerial Group
 - provide input on relevant adaptation matters for consideration in those work programmes that may arise during the development of the framework.

Select Committee inquiry into adaptation

- For the framework to endure over time, we need a broad consensus and cross-party support for the fundamentals.
- For this reason, I am proposing a process that builds in a public inquiry at the front end of policy development.

Transferring from Environment Committee to Finance and Expenditure Committee

- An Environment Committee inquiry into climate adaptation was set up before the election. It is in its early stages but has received around 150 submissions.
- Due to capacity constraints on that committee, the Cabinet Legislation Committee agreed in principle on 15 February to support a motion in the House to establish an ad hoc Select Committee to lead an inquiry into adaptation, subject to consultation with the Speaker, Clerk of the House and Parliamentary parties.
- I have now undertaken that consultation and consider that an existing Committee – the Finance and Expenditure Committee - should undertake the inquiry into climate adaptation. This committee has broader political representation than the Environment Committee, which will support consensus-building.
- I therefore propose transferring the Environment Committee inquiry on climate adaptation to the Finance and Expenditure Committee.

Motion in the House

- The motion to establish the inquiry and transfer the submissions provides an opportunity for the Government to re-set the Terms of Reference for the inquiry so that it is focused on the adaptation matters to be addressed by the framework.
- If agreed by Cabinet, I will work with the Office of the Clerk to draft the notice in motion.
- The Finance and Expenditure Committee will work alongside the Environment Committee to ensure a smooth transition for the inquiry.