

Paper 2 Adaptation framework meeting: FEC summary

NB: Shaded boxes= areas not covered in the May 2024 Cabinet paper: Progressing an adaptation framework [CAB-400 refers].

Area	FEC recommendations	9(2)(f)(iv)
Objectives, principles and system design	<p>Objectives:</p> <ul style="list-style-type: none"> • Minimising expected long-term costs • Ensuring that responses and funding support to property owners, if any, are predictable, principled and rules-based wherever possible • Improving information flows about climate risks and response • Addressing market failures and supporting market efficiency • Ensuring people have the incentive and ability to manage risk. 	
	<p>Objectives (<i>continued</i>):</p> <ul style="list-style-type: none"> • Reducing hardship and supporting an equitable approach • Upholding Te Tiriti o Waitangi • System clarity and continuity • Allowing asset prices to better reflect long-term natural hazard risk • Achieving a balance between central government leadership and community-led approaches. 	
	<p>Principles:</p> <ul style="list-style-type: none"> • National consistency • Local flexibility • Transparency and clarity • Incorporating the specific rights and interests of Māori • Fair warning • Consideration of co-benefits • Minimising moral hazard • Accountability • Evidence-based decisions • Fairness and equity • Subsidiarity. 	

Area	FEC recommendations
	The climate adaptation framework should include meaningful performance reporting measures that can show how the framework is performing over time and the extent to which it is achieving its intended outcomes.
Investment	Work with local government, researchers, and the private sector to compile information about what is currently being spent on climate adaptation and improve estimates of the potential future costs of adaptation.
	Investment in climate adaptation should be paid for by applying a combination of the following principles: beneficiary pays, exacerbator pays, public pays, and ability-to-pay
Cost-sharing	A key consideration of the adaptation framework should be to ensure there is adequate housing for people who need to relocate, including those who do not own their own property.
	Consider the Expert Working Group on Managed Retreat's recommendations regarding the Government's role in planned relocation.
	Consider the Expert Working Group on Managed Retreat's statement that: "avoiding hardship by structuring funding so as to provide adequate housing to those who must relocate was a key consideration. Based on the outcomes and principles for planned relocation and funding, we did not consider that preserving people's wealth or protecting property owners from the risks of property ownership were legitimate objectives of the funding system."
	Any policy work it undertakes regarding residential property retreat or managed relocation include a focus on affected renters and people who do not own property.

9(2)(f)(iv)

Area	FEC recommendations
	Investigate the idea of proactive financing instruments, working alongside banks and insurance companies to do so.
	Undertake further work to identify what amendments to legislation and regulations would be required to enable residential property retreat.
Roles and responsibilities	There should be a comprehensive national framework set out in legislation that establishes a clear mandate for local and central government, and resourcing and financing arrangements, as it relates to climate adaptation. The framework should establish a system where all actors are incentivised and able to act on climate adaptation
	All decisions about infrastructure, planning, and development must consider climate adaptation. This includes policy workstreams such as regional deals, the infrastructure pipeline, the Regional Infrastructure Fund, the replacement for the Resource Management Act, and interim planning measures that prevent development and intensification in risk-prone areas.
	There should be a lead agency on climate adaptation that can support an all-of-government approach, partner with iwi/Māori, interact with the public and key stakeholders, and have responsibility for reporting on climate adaptation progress and the framework's performance.
Data and information	Develop an accessible public data commons for data on natural hazard and climate risk, with the aim of improving the data's quality, consistency, and availability.
	Prioritise funding research that seeks to improve the data on natural hazard and climate risk.
Kaupapa Māori	The climate adaptation framework should involve bespoke arrangements for whenua Māori, recognising the different models of land ownership and the effects of climate change on that land.

Area	FEC recommendations	9(2)(f)(iv)
	The climate adaptation framework should recognise a role for mātauranga Māori alongside other knowledge systems.	