

## Briefing: Adaptation framework: Approval to lodge Cabinet paper

**Date submitted: 4 April 2024**

**Tracking number:** BRF-4437

### Security level: Policy and Privacy

**MfE priority: Urgent**

Actions sought from Ministers		
<i>Name and position</i>	<i>Action sought</i>	<i>Response by</i>
To Hon Simon WATTS <b>Minister of Climate Change</b>	Approve Cabinet paper for lodgement	4 April

### **Actions for Minister's office staff**

**Return** the signed briefing to the Ministry for the Environment ([ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz)).

- **Appendices and attachments**

1. Tracked version of Cabinet paper (including Appendix A: Draft Terms of Reference for Select Committee Inquiry and Appendix B: Indicative timeframes for the Adaptation Framework)
2. Clean version of Cabinet paper (including Appendix A: Draft Terms of Reference for Select Committee Inquiry and Appendix B: Indicative timeframes for the Adaptation Framework)

- **Key contacts at Ministry for the Environment**

<b><i>Position</i></b>	<b><i>Name</i></b>	<b><i>Cell phone</i></b>	<b><i>First contact</i></b>
Principal Author	Hannah Steans	027 224 8522	
Responsible Manager	Beth Le Roux	027 295 8459	
General Manager	Katherine Wilson	021 146 3122	✓

- **Minister's comments**

# Adaptation framework: Approval to lodge Cabinet paper

## Key messages

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1. This briefing provides you with an updated Cabinet paper which seeks endorsement on the approach to develop the adaptation framework, and for a motion in the House to instruct the Finance and Expenditure Committee to inquire into adaptation.
2. You commenced Ministerial consultation on a draft Cabinet paper on 20 March.
3. Feedback was received from the offices of the Minister for Land Information, Minister for Emergency Management and Minister for Māori Affairs. At the last CPMG meeting, the Minister of Finance also expressed views which we have incorporated as feedback.
4. We also received feedback on the paper from The Treasury, National Emergency Management Agency, Ministry for Housing and Urban Development, Department of Internal Affairs, Critical Infrastructure Resilience Unit, and Land Information New Zealand.
5. Officials have updated the Cabinet paper following Ministerial and agency feedback.
6. Feedback integrated includes removal of Ministerial Advisory Group content and minor clarification and explanatory text changes in the background, objectives, key linkages, select committee and consultation sections.
7. We are seeking decisions from you on whether to include some elements of feedback in the lodgement version of the Cabinet paper, such as additional principles and policy decision timeframes.
8. We propose lodging the Cabinet paper on 4 April for Cabinet Economic Policy Committee on 10 April.
9. Following Cabinet decisions on 15 April, officials will work with your office and the Office of the Clerk to draft the notice in motion for the inquiry into adaptation and your initial briefing to the select committee.
10. As you will be overseas on 15 April, you may wish to ask Minister Willis or Minister Bishop to lead the paper at Cabinet on your behalf, if discussion is required.

## Recommendations

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We recommend that you:

- a. **agree** to change reference of timeframes for final policy decisions in the Cabinet paper from October 2024 to Quarter 4 2024

Yes | No

- b. **agree** to remove Ministerial Advisory Group content from the Cabinet paper on request of the Minister of Finance

Yes | No

- c. **agree** to lodge the Cabinet paper (Appendix 2) and its associated appendices on 4 April for Cabinet Economic Policy Committee on 10 April

Yes | No

## Signatures

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Katherine Wilson  
General Manager – Adaptation  
**Ministry for the Environment**  
4 April 2024

Hon Simon WATTS  
**Minister of Climate Change**

**Date**

# Adaptation framework: Approval to lodge Cabinet paper

## Purpose

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1. This briefing seeks your approval to lodge the Cabinet paper on the adaptation framework.

## Background

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2. On 20 March you commenced Ministerial consultation on the draft Cabinet paper [BRF-4410 refers]. Ministry for the Environment officials also undertook targeted agency consultation during the same period.

## Analysis and advice

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### Amendments made to the Cabinet paper

3. Following feedback on the draft Cabinet paper from yourself, Ministerial and agency consultation, officials have updated the paper. We have also made minor edits to the Cabinet paper for consistency, accuracy and readability.
4. For your reference, these edits are provided as tracked changes in Appendix 1. A clean version of the Cabinet paper is attached as Appendix 2.
5. Table 1 below summaries any significant amendments and provides reasoning.

Table 1: Amendments to Cabinet paper		
Section	Edit	Reasoning
<b>Background</b>	Paragraph 15 and 16	Reflects wording suggestions from the Ministry of Housing and Urban Development regarding building in at-risk areas.
	Paragraph 17	Reflects preference expressed by the Minister of Finance that managed retreat, particularly compulsory managed retreat, be de-emphasised. Wording clarifies that retreat does not have to involve compulsory acquisition, the Government is not going to be forcing people to leave their homes, and that managed retreat is a policy choice where there are no other tenable options.
	Paragraph 19	Reflects feedback from the Department of Internal Affairs regarding role of local government in adaptation.


<b>Objectives</b>	Minimise expected long-term costs	Clarified that this refers to costs to the Crown and society.
	People have the incentive and the ability to manage risk	New objective and explanation requested by Treasury. A risk reduction objective was also supported by National Emergency Management Agency and Department of Internal Affairs.
<b>Workstreams</b>	Principles for investment in risk reduction	Title and explanation amended after request from the Treasury to ensure the workstream focuses on funding settings for council investment in risk reduction, to make the scope clearer and more tractable.
<b>Key linkages with other work programmes</b>	Regional Infrastructure Fund and Going for Housing Growth	Added the Regional Infrastructure Fund to the list of work programmes led by other Ministers, with which the adaptation framework has linkages. We understand that Minister Jones is taking a paper on the Fund to Cabinet in mid-April. Going for Housing Growth also added to the list on the request of the Ministry for Housing and Urban Development.
	RMA instruments such as the National Policy Statement on Natural Hazard Decision Making	The Treasury requested that emphasis was made on natural hazards being a top priority for adaptation policy development
<b>Establishing a Finance and Expenditure Committee inquiry for adaptation</b>	Materials for initial briefing	Added that the Committee will receive the Report of the Māori Affairs Committee on climate adaptation as part of their initial briefing, on the request of the Minister for Māori Development.
<b>Consultation</b>	Public and targeted engagement	Text included to specify that Treaty partners and the public will input into the design of the adaptation framework through the Finance and Expenditure Committee inquiry and Ministerial Advisory Group processes, as signalled in BRF-4173.
	Agency consultation	Added text to clarify how we have addressed agency feedback and intended next steps.

## Ministerial Advisory Group

6. We understand that the Minister of Finance has requested the removal of the Ministerial Advisory Group content from the Cabinet paper.
7. We have actioned this in Appendices 1 and 2 for your consideration.


## **Deadline for final policy decisions**

9(2)(f)(iv)



9. The proposed Finance and Expenditure Committee inquiry and Ministerial Advisory Group will commence in May following the associated Cabinet decisions.
10. We consider the Finance and Expenditure Committee and Ministerial Advisory Group may need more time to work through these complex issues, particularly given the goal of building consensus.


9(2)(f)(iv)




## **Feedback not directly reflected in the paper**

12. Table 2 outlines feedback from agencies that has not been directly reflected in the paper and the associated reasoning.


9(2)(g)(i)



9(2)(g)(i)



9(2)(g)(i)



## **Other considerations**


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### **Consultation and engagement**

13. On 20 March, you commenced Ministerial consultation on the draft Cabinet paper.
14. Officials also provided a draft of the Cabinet paper to The Treasury, Ministry of Housing and Urban Development, Ministry of Primary Industries, Department of Conservation, Ministry of Business, Innovation and Employment, Department of Internal Affairs, Ministry of Transport, Climate Change Chief Executives Board, National Emergency Management Agency, Cyclone Recovery Unit, Critical Infrastructure Resilience Unit and Department of Prime Minister and Cabinet.

### **Risks and mitigations**

9(2)(g)(i)



### **Legal issues**

16. No legal issues are associated with the proposals in this briefing.



## Financial, regulatory and legislative implications

17. No financial, regulatory, or legislative implications are associated with the proposals in this briefing.

## Next steps

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18. The next steps proposed for the Cabinet paper and transfer of the inquiry to the Finance and Expenditure Committee (FEC) are:

Table 3: Cabinet paper and Select Committee timeframes	
<i>Element</i>	<i>Date</i>
Lodge Cabinet Paper	• 4 April
Cabinet paper considered at ECO	• 10 April
Cabinet meeting	• 15 April
House in recess	• 16-26 April
Motion in House, to transfer the Environment Committee inquiry to the FEC, with new Terms of Reference	Week of 29 April
FEC has first meeting re: inquiry	Week of 6 May (if not the week prior)

19. Following Cabinet decisions, officials will also work with your office to:
- i draft the notice of motion (alongside the Office of the Clerk)
  - ii prepare the initial briefing to the FEC.
20. We are also preparing an APH paper for progression of the Ministerial Advisory Group. The draft paper is due to your office on 4 April. We propose that Ministerial consultation commences directly following ECO consideration of the Adaptation Framework Cabinet paper.

## Appendices

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Appendix 1: Tracked version of Cabinet paper (including Appendix A: Draft Terms of Reference for Select Committee Inquiry and Appendix B: Indicative timeframes for the Adaptation Framework)

Appendix 2: Clean version of Cabinet paper (including Appendix A: Draft Terms of Reference for Select Committee Inquiry and Appendix B: Indicative timeframes for the Adaptation Framework)