



PROACTIVE RELEASE COVERSHEET

Minister	Hon David PARKER	Portfolio	Environment
Title of Cabinet paper	Proactive release of Natural Hazards Cabinet papers	Date to be published	23 October 2023

List of documents that have been proactively released

Date	Title	Author
1 June 2023	Cabinet paper: Preventing or restricting future development in high natural hazard risk areas under the Resource Management Act 1991	Office of the Minister for the Environment
22 June 2023	Cabinet paper: Progressing national direction under the Resource Management Act 1991 for a natural hazard planning framework	Office of the Minister for the Environment
22 June 2023	Cabinet paper Appendix 1: Gap Analysis for Proposed Natural Hazard Planning Framework	Office of the Minister for the Environment
22 June 2023	Cabinet paper Appendix 2: RMA National Direction Development Process Steps	Office of the Minister for the Environment
24 August 2023	Cabinet paper: National Policy Statement for Natural Hazard Decision-Making: Approval to commence public consultation	Office of the Minister for Minister for the Environment
1 June 2023	Cabinet Environment, Energy and Climate Committee Minute of Decision: Preventing or Restricting Future Development in High Natural Hazard Risk Areas Under the Resource Management Act 1991 (ENV-23-MIN-0015)	Cabinet Office
22 June 2023	Cabinet Minute of Decision: Progressing National Direction under the Resource Management Act 1991 for a Natural Hazard Planning Framework (CAB-23-MIN-0263.02)	Cabinet Office
22 June 2023	Cabinet Environment, Energy and Climate Committee Minute of Decision: Progressing National Direction under the Resource Management Act 1991 for a Natural Hazard Planning Framework	Cabinet Office
24 August 2023	Cabinet Environment, Energy and Climate Committee Minute of Decision: National Policy Statement for Natural Hazard Decision-making: Approval to Commence Public Consultation (ENV-23-MIN-0037)	Cabinet Office

Information redacted**YES**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld for the reasons of confidential information entrusted to Government and confidential advice to Government.

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Office of the Minister for the Environment

Chair, Cabinet Environment, Energy and Climate Committee

Preventing or restricting future development in high natural hazard risk areas under the Resource Management Act 1991

Proposal

- 1 This paper outlines options available under the Resource Management Act 1991 (RMA) to prevent or restrict future development in areas facing high/multiple risk from natural hazards.
- 2 I seek Cabinet agreement that the Ministry for the Environment (MfE) develop a National Policy Statement (NPS), requiring all local authorities to prioritise considerations around natural hazard risk when making decisions around consents and changes to planning instruments in relation to future development.

Relation to government priorities

- 3 On 27 February 2023, Cabinet noted the need for strong and coordinated action across all arms of government in the recovery from Cyclone Gabrielle and its impacts [CAB-23-MIN-0056]. Cabinet also agreed that a core objective of the recovery is to improve climate change resilience and the avoidance of maladaptation. Options included in this paper will improve how the risks from natural hazards are mitigated and managed.
- 4 Parliament declared a climate change emergency in December 2020. Cabinet has agreed that climate change “demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge” [CBC20-MIN-0097]. Actions to improve the management of natural hazard risks are a key part of the Government’s climate work programme, as highlighted by the National Adaptation Plan.

Executive Summary

- 5 New Zealand is increasingly at risk from a range of natural hazards, including flooding and landslips, because severe weather events are becoming more frequent. Local authorities (who are responsible for managing significant risks from natural hazards) identify natural hazards, and assess risk and risk tolerance, in a variable and inconsistent way.
- 6 Development in areas facing natural hazard risks increases risk to life, property and infrastructure as well exposing people, landowners, councils and the Crown to increased social and economic costs should property and infrastructure be damaged. Central government direction is required to support better decision-making by local government on land use and adaptation in areas at risk from natural hazards.
- 7 On 29 March 2023, the Cabinet Extreme Weather Recovery Committee (EWR) invited me to report back on a natural hazard planning framework. In the medium-to-long term this would provide the direction needed to ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and would underpin good decision-making about future land use and adaptation planning. This report back is scheduled for 22 June 2023.

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- 8 On 29 March 2023 EWR also invited me to report back on more immediate options to prevent or restrict future development in areas facing high /multiple risk from natural hazards [EWR-23-MIN-0025]. This would reduce such development while the medium-to-long-term natural hazards planning framework is under development. These two measures would address natural hazard risk in a phased way.
- 9 To assess the most effective immediate intervention to reduce development in high-risk areas, officials have undertaken targeted consultation with local authorities. Local authorities have advised that they need greater direction from the Government around how to weigh natural hazards and other considerations when making consenting decisions and preparing plan changes.
- 10 While management of natural hazard risk is a matter of national importance under section 6 of the RMA, there is uncertainty about how much weight decision-makers should attach to natural hazard risk in their decisions and how much weight they should attach to other issues.
- 11 As the first measure in the phased approach, I seek Cabinet agreement that MfE begin to develop a National Policy Statement on Natural Hazard Decision-making that guides all local authorities on the appropriate weight to attach to natural hazard risk in consent decisions and changes to planning instruments relating to future development.
- 12 I would report back to Cabinet in August 2023 to seek agreement on further policy decisions and present a draft NPS and draft consultation document.
- 13 An NPS focused on influencing decision-making processes is the most effective way to prevent or restrict further development in the short-term, ahead of the introduction of a comprehensive natural hazard planning framework. This would ensure the Government is providing clarity to local authorities on how to weigh natural hazard risks against other considerations.
- 14 MfE could develop a focused NPS in six to nine months using a Minister-led process under section 46A(4) of the RMA. I anticipate consultation could commence prior to the 2023 general election.

Background

Preventing or restricting development in high-risk areas

- 15 New Zealand has always been at earthquake risk; but is increasingly at risk from a range of other natural hazards, including flooding and landslips, because severe weather events are becoming more frequent because of climate change. Coastal inundation risk is also increasing.
- 16 Local authorities (who are responsible for managing significant risks from natural hazards) identify natural hazards, and assess risk and risk tolerance, in a variable and inconsistent way.
- 17 Development in areas facing natural hazard risks increases risk to life, property and infrastructure. It also has the potential to expose people, landowners, councils and the Crown to increased social and economic costs should property and infrastructure be damaged.

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- 18 The Government has provided significant support as part of the response and recovery from recent severe weather events. This includes working with local authorities on the Future of Severely Affected Land (FOSAL) work programme. There are opportunities to support councils to prepare plan changes quickly (eg by Order In Council under the Severe Weather Emergency Recovery Legislation Act 2023) to reflect necessary change in land use caused by these events.
- 19 A range of government agencies have work underway to improve risk reduction from natural hazards in the *medium-to-long-term*. This includes:
- 19.1 improving natural hazard information in Land Information Memorandums (LIMs);
 - 19.2 developing a natural hazard planning framework to standardise the identification and assessment of natural hazard risks;
 - 19.3 providing a nationally consistent policy approach to land-use planning decision-making in high-risk areas (including how councils should categorise activities in potential flood affected areas); and
 - 19.4 addressing managed retreat and adaptation funding through the proposed Climate Change Adaptation Bill (CCAB).
- 20 The natural hazard planning framework is intended to include national direction on adaptation planning. Doing so is within the scope of the RMA and the Natural and Built Environment Act that will replace it. The CCAB may add further scope in respect of managed retreat and funding processes.
- 21 On 29 March 2023, EWR invited me to report back on a natural hazard planning framework (ie paragraph 19.2), in consultation with the Ministers of Housing, Local Government and Climate Change. This would provide the direction needed to ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and underpin good decision-making about future land-use and adaptation. The report back is scheduled for 22 June 2023.
- 22 There remains a gap while the natural hazard planning framework is being developed and implemented. As such, there is a need for an interim response to address decision-making about natural hazard management in high-risk areas (ie paragraph 19.3) that can be implemented quickly under the RMA.
- 23 Consequently, also on 29 March 2023, EWR invited me to report back on more immediate options to prevent or restrict future development in high/multiple natural hazard risk areas, in consultation with the Ministers of Housing and Climate Change, which I now do. This would be complementary to the natural hazard planning framework; and would aim to reduce the amount of new development in high-risk areas while the natural hazard planning framework is under development.

The current resource management system does not provide clear direction on how local authorities should identify, assess, or manage natural hazard risk

- 24 The RMA identifies the management of significant risks from natural hazards as a matter of national importance.¹ However, in 2020 the Resource Management Review

¹ Section 6 of the RMA requires decision-makers, in relation to managing the use, development and protection of natural and physical resources, to recognise and provide for the management of significant risks from natural hazards.

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Panel (the Panel) found a lack of clear national direction has led to issues arising in the management of significant effects from natural hazards and climate change. This impacts on the extent to which plans address and manage these risks.

- 25 The Panel recommended that mandatory national direction should be required for climate change adaptation and reduction of risks from natural hazards consistent with the first national climate change risk assessment and the first national adaptation plan under the Climate Change Response Act 2002.
- 26 The New Zealand Coastal Policy Statement 2010 (NZCPS) provides direction on managing coastal hazards in the coastal environment including through managed retreat, and the National Policy Statement for Freshwater Management 2020 requires local authorities to consider the foreseeable impacts of climate change in water take decisions. No other national direction specifically considers the management of natural hazard risk.
- 27 Under the RMA, there are no set standards or direction relating to natural hazard risk planning, including data gathering, mapping and development rules for hazard-prone areas. Therefore, the way in which local authorities identify natural hazards, and assess risk and risk tolerance, is variable and inconsistent.
- 28 RMA planning and consenting practices will continue while a natural hazard planning framework is being developed and resource management reform is being implemented. The National Planning Framework (NPF), which is part of this reform, will consolidate all national direction instruments. Meanwhile, further new development could potentially occur in areas at high risk from natural hazards.
- 29 It is imperative to act now to limit New Zealand's exposure to the social and economic costs associated with such potential development.

There is a range of work underway that will improve how the Government addresses natural hazard risk and impacts

- 30 The first national adaptation plan sets out the Government's long term adaptation strategy and action plan. Agencies have identified actions to advance policy initiatives to support recovery from recent severe weather events, primarily through better information about hazards, exposure, vulnerability and interim resilience standards for infrastructure and housing.
- 31 The first version of the NPF is focused on providing direction to regional planning committees for regional spatial strategies. This will be high-level strategic direction on risk reduction and resilience to the effects of natural hazards and climate change. It will include the identification of areas at risk from the effects of natural hazards and climate change, a risk-based approach to decision-making, and direction for improving adaptation and resilience to the effects of natural hazards and climate change.
- 32 Further to the outline in paragraph 19, a range of government agencies are working to improve how the Government understands and addresses the risks and impacts from natural hazards. For example:
 - 32.1 Treasury and MfE are in the process of determining the Future of Severely Affected Locations (the FOSAL work programme). This aims to establish a policy and funding framework for deciding on the future use of land which was severely affected by recent extreme weather events;

- 32.2 the Ministry for Business, Innovation and Employment (MBIE) is investigating ways in which the current Building Act 2004 can be used to encourage increased resilience in the recovery from recent severe weather events. This increased resilience could decrease the impact future extreme weather events have on buildings;
- 32.3 the Local Government Official Information and Meetings Amendment Bill aims to improve natural hazard information in Land Information Memorandums (LIMs). This will ensure that LIMs provide natural hazard information to property buyers that is clear and nationally consistent in its presentation. It will also provide certainty for local authorities about sharing natural hazard information in LIMs. This change is significant as it requires regional councils to supply natural hazard information to territorial authorities, who are therefore required to include that information in LIMs;
- 32.4 The Ministry for Housing and Urban Development (MHUD) is developing a post-disaster housing recovery framework. This aims to enable housing recovery to be guided by a nationally consistent approach that identifies the most impactful use of policy tools and levers for different phases and approaches to recovery. This will align with other aforementioned natural hazards frameworks in development.

Targeted consultation on improving natural hazard risk management

- 33 Officials have undertaken targeted engagement with local authorities through various focus groups^{9(2)(a)} [REDACTED]
- 34 Local authorities are generally supportive of options that better direct how they should weigh natural hazard risk and other considerations to enable better planning for the effects of natural hazards. They have indicated that the risk of litigation – and implementation issues such as resourcing, availability of information, alignment with other strategies, clarity of roles and responsibilities and application of information to policy – are key factors influencing natural hazard decision-making.
- 35 Given the broad application of natural hazard planning, a comprehensive package is needed to effectively consider the wider impact on communities and the values of a region. This includes understanding what appropriate mitigation of natural hazard risk would be and what is not acceptable. Clear direction from central government will help address this.

Options to prevent or restrict future development by changing how decision-makers weigh natural hazard considerations

- 36 Officials have identified three potential options to prevent or restrict developments by changing the way the decision-makers weigh natural hazard risk factors in decision-making. These options are not mutually exclusive.
- 37 These options are compatible with the RMA and future resource management system, provide certainty, and minimise costs and risks, such as judicial review or legal challenge. They also complement the work described in paragraphs 19 and 32.

Option 1: National Policy Statement on Natural Hazard Decision-making

- 38 Under this option, MfE would develop an NPS that guides all local authorities on the appropriate weight to attach to natural hazard risk and other considerations when making decisions on regional policy statements, regional plans and district plans, and consents. This would include more explicit assessment of hazard risk, and how a precautionary approach would apply in this situation.
- 39 This will be a narrowly scoped NPS that has one or two main objectives, a small number of policies and some implementation directions such as directing local authorities to insert specific objectives and policies into their planning instruments. A benefit of this option is that decision-makers need to 'give effect' to NPS as soon as it is operative.
- 40 This would then be either included in, or replaced by, the natural hazard planning framework in the medium to long term, depending on policy decisions in due course, This will then be transitioned into the NPF as part of the resource management reform.
- 41 This option limits unintended consequences and the risk of legal challenges because it would only be applied should an applicant seek to develop land. However, this option does not provide complete certainty that areas identified as high risk by local authorities would not be developed. The NPS would not prevent or restrict development in areas at risk where development is a permitted activity and, therefore, would not require resource consent.
- 42 In the time available, officials have not been able to quantify the high-risk areas in which development is a permitted activity and development is likely to occur. Modelling this would require more time than I think is appropriate given the urgent need to improve practice. The natural hazards planning framework will address this issue in the medium to longer term by looking at options such as making certain kinds of development a discretionary or prohibited activity if they meet certain risk thresholds.
- 43 It would take around six to nine months to develop an NPS. Local authorities must have regard to the NPS in decision-making immediately, upon the NPS coming into effect. Local authorities would need to incorporate the NPS's specific objectives and policies in their regional policy statements, regional plans and district plans. This could happen quickly because councils would not need to follow the plan change process as outlined in Schedule 1 of the RMA.

Option 2: National Environmental Standards

- 44 Under this option, MfE would develop a National Environmental Standard (NES) that prevents or restricts development in areas that local authorities have already identified as being at high risk from natural hazards in their existing plans.
- 45 An NES is highly prescriptive as it sets clear and specific nationally consistent standards. Officials considered whether an NES could include provisions that would make development in certain areas, where it is currently permitted, a discretionary activity. However, this option is not recommended. Given the need for pace to respond to the issue, any NES would need to use existing natural hazard risk information in plans, which is not consistent at a national level and may not identify all potential hazards.

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- 46 This option would not impact areas that have not already been identified as at high risk from natural hazards. Given local authority identification of risks is inconsistent, an NES would be implemented inconsistently leading to highly variable outcomes and impacts for different communities across the country.
- 47 An NES which limits or prohibits future development is likely to be contentious, noting previous attempts by local authorities to downzone land in response to hazards, such as in Christchurch and Kāpiti, were strongly opposed. It is critical that this type of regulation is based on up-to-date data and evidence.
- 48 This option would take approximately 12 months to develop. It would be more resource intensive than a narrowly-scoped NPS, because of the need to review the hazards provision of all relevant planning documents and specify for each region which areas are not suitable for development. Engagement on an NES would need to be thorough given the clear impacts on individual properties.
- 49 Any NES would likely be withdrawn once the natural hazard planning framework is operative because the latter will provide direction to local authorities on land-use planning in areas of identified risk from natural hazards.

Option 3: Direct specific local authorities to prepare a plan change or variation

- 50 Under this option, I could direct specific local authorities to prepare a plan change or variation to prevent or restrict development in specific areas where a problem has been identified, under section 25A of the RMA.
- 51 This option would only apply to a few local authorities, prioritised by those that have been affected by the severe weather events. This creates a risk that the Government would not be able to prevent or restrict natural hazards risk effectively throughout the country.
- 52 From engagement with local authority practitioners, it has become apparent that there is value in providing direction to all local authorities, given the lack of national consistency, rather than targeting a handful of local authorities.
- 53 For regions affected by recent severe weather events, I will consider developing an Order in Council (OIC) under the Severe Weather Emergency Recovery Legislation Act 2023 to streamline the usual plan change process for councils who wish to update their plans to reflect new hazard risk information.

I propose that Cabinet agree to develop a National Policy Statement on Natural Hazard Decision-making

- 54 I consider that developing an NPS is the most effective way to prevent or restrict further development in the short-term. This could be developed quickly and ensure clarity for local authorities on how to weigh natural hazard risk against other considerations. Subject to your agreement, MfE officials will begin to develop a draft NPS.
- 55 I would report back to Cabinet in August 2023 to seek agreement on policy decisions and present a draft NPS and a draft consultation document.

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Outstanding issues to be addressed in developing the proposed NPS

- 56 Given the speed in which officials have developed options, there are a range of outstanding issues that would be addressed alongside the development of the NPS. I will update you on these matters in my August report back and through a Supplementary Analysis Report.
- 57 As outlined above, further work is required to determine the type of developments in scope (eg just residential property, or also commercial property), and hazards in scope (eg just flood hazards, or all natural hazards).
- 58 Further work is also required to determine how the NPS would relate to other pieces of national direction, such as the National Policy Statement on Urban Development 2020 (NPS-UD) and the NZCPS, and other work underway to addresses natural hazard risk and impacts (as described in paragraphs 19 and 32).
- 59 The NPS would only restrict development in areas at high-risk from natural hazards. It would not alter the requirement to at least provide sufficient development capacity in the NPS-UD or affect intensification planning instruments. The NPS would aim to provide certainty for local authorities and developers to enable developments in areas that are not at high risk of natural hazards.
- 60 If a proposed plan or plan change triggers section 85 of the RMA, then the Environment Court may direct the local authority to do whichever it considers appropriate out of: (1) acquire the land: or (2) modify, delete or replace the provision in the manner directed by the Court. Typically, this means the provisions do not proceed. The Natural and Built Environment Bill seeks to address this issue by providing that, if an offer to acquire is not accepted, then the relevant provision still proceeds.
- 61 MfE and the Ministry of Housing and Urban Development (MHUD) will work together to ensure that, to the extent possible, any tension between housing development and natural hazard protection is appropriately expressed in the draft consultation document.
- 62 MfE will engage with MHUD to find ways to align the relevant work programmes on a 1-2 year timeframe that aligns with a more comprehensive national direction on natural hazards, so that all of the impacts and outstanding issues can be worked through.
- 63 The NPS could have direct impacts on the property market, and insurance and mortgage lending in some high-risk areas. As recent severe weather events have shown, housing built in areas vulnerable to natural hazard risk does not provide for long-term stable accommodation for New Zealanders, and incurs social and economic costs in the event of a natural disaster.
- 64 Officials have been engaging with the insurance industry, which has indicated support for an NPS because it would improve how local authorities address natural hazard risk. That would reduce the need for insurance and lending decisions to respond to risk, and reduce the potential for inequitable outcomes from variations in insurance and lending.
- 65 A disproportionate amount of remaining Māori land is exposed to natural hazard risk. According to several reports, 80% of the approximately 800 marae in the country are in low-lying coastal areas or near flood prone rivers. Te Ture Whenua Māori Act 1993

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recognises land as taonga for Māori and promotes the retention, occupation, and development of that land. Given the extent that Māori land is exposed to climate risk, options put forward could have a disproportionate impact on Māori, limiting their ability to use their land.

- 66 MfE and Te Arawhiti officials will continue to work together to ensure that the NPS effectively balances natural hazard risk reduction and Māori rights and interests.
- 67 Officials are developing a specific iwi, hapū, Māori engagement plan that will include targeted engagement prior to the August 2023 report back, and broader engagement with Māori. This engagement will be co-ordinated with the FOSAL work programme. We are also seeking to engage with both Iwi Leaders Group and Te Tai Kaha.

Financial Implications

- 68 Preparation of this proposed new national direction will be managed from within MfE's existing funding.

Legislative Implications

- 69 Some options outlined in this paper require national direction under the RMA to implement.

Impact Analysis

- 70 Cabinet's impact analysis requirements apply to the proposal to draft a NPS on Natural Hazard Decision-making but there is no accompanying Regulatory Impact Statement, and the Treasury has not exempted the proposal from the impact analysis requirements. Therefore, it does not meet Cabinet's requirements for regulatory proposals.
- 71 The Regulatory Impact Analysis team at the Treasury and the Ministry for the Environment have agreed that supplementary analysis will be provided in August when the draft NPS is provided to Cabinet.

Human Rights

- 72 Proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 73 The following agencies were consulted on this Cabinet paper: Ministry of Housing and Urban Development; Te Puni Kokiri; Department of Conservation; Land Information New Zealand; Te Waihanga, New Zealand Infrastructure Commission; Ministry of Business, Innovation and Employment; Department of Internal Affairs; Ministry of Transport; Te Arawhiti; New Zealand Transport Agency; Toka Tū Ake EQC; and the Department of Prime Minister and Cabinet.
- 74 Officials have undertaken targeted engagement with local authorities through various focus groups^{9(2)(a)}

Proactive Release

- 75 This paper will be publicly released following a public announcement on the Government's work to improve natural hazard risk management.

Recommendations

The Minister for the Environment recommends that the Committee:

- 1 **note** that natural hazard risks and severe weather events are becoming more frequent and more severe because of climate change, which increases risk to life, property and infrastructure, and social and economic costs to people, landowners and the Crown;
- 2 **note** that local authorities have indicated they want greater direction from central government on how to weigh natural hazards when making consenting decisions and preparing plan changes;
- 3 **note** that the Cabinet Extreme Weather Recovery (EWR) Committee invited the Minister for the Environment to progress work to develop a natural hazard planning framework [EWR-23-MIN-0025];
- 4 **note** that a natural hazard planning framework is expected to be incorporated into the proposed National Planning Framework at a later date;
- 5 **note** that a natural hazard planning framework would ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and would underpin good decision-making about future land use and adaptation in relation to natural hazards;
- 6 **note** that a report back to Cabinet on a natural hazards planning framework is scheduled for 22 June 2023;
- 7 **note** that EWR also invited the Minister for the Environment to report back earlier to the Cabinet Environment, Energy and Climate Committee on more immediate options for preventing or restricting future development in high-risk areas while the natural hazards planning framework is under development [EWR-23-MIN-0025];
- 8 **direct** the Ministry for Environment (MfE) to begin developing a National Policy Statement on Natural Hazard Decision-making (NPS), which would guide all local authorities on the appropriate weight decision-makers should attach to natural hazard risk;
- 9 **note** that MfE and the Ministry of Housing and Urban Development (MHUD) will work together to ensure that, to the extent possible, any tension between housing development and natural hazard protection is appropriately expressed in the draft consultation document referred to in paragraph 15;
- 10 **note** that MfE will engage with MHUD to find ways to align the relevant work programmes on a 1–2-year timeframe that aligns with a more comprehensive national direction on natural hazards, so that all of the impacts and outstanding issues can be worked through;
- 11 **direct** that, since a disproportionate amount of Māori land is exposed to natural hazard risk, MfE undertake a programme of targeted engagement with Māori, coordinated with the Future of Severely Affected Locations engagement programme, feedback from which will inform the report back referred to in paragraph 15;
- 12 **note** that MfE will also develop advice to inform policy decisions, and produce a draft consultation document for the report back referred to in recommendation 15;

I N C O N F I D E N C E

- 13 **note** that MfE will develop a Supplementary Analysis Report (SAR), which will also assess options other than an NPS;
- 14 **note** that it is proposed the NPS be included in or replaced by the natural hazard planning framework once it has been developed;
- 15 **invite** the Minister for the Environment to report back to Cabinet in August 2023 with a draft NPS and draft consultation document, ahead of public consultation.

Authorised for lodgement

Hon David Parker

Minister for the Environment

Office of the Minister for the Environment

Chair, Cabinet Environment, Energy and Climate Committee

Progressing national direction under the Resource Management Act 1991 for a natural hazard planning framework

Proposal

- 1 This paper provides an update on progress to develop national direction for a natural hazard planning framework under the Resource Management Act 1991 (RMA). It proposes that officials begin developing a consultation document for such a framework.

Relation to government priorities

- 2 Parliament declared a climate change emergency in December 2020. Cabinet has agreed that climate change “demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge” [CBC-20-MIN-0097]. Actions to improve the management of natural hazard risks are a key part of the Government’s climate work programme, as highlighted by the National Adaptation Plan.
- 3 On 27 February 2023, Cabinet agreed that a core objective of the recovery from Cyclone Gabrielle is improving climate resilience and the avoidance of maladaptation [CAB-23-MIN-0056].

Executive Summary

- 4 Central government direction is required to support better decision-making by local government on land use and adaptation in areas at risk from natural hazards.
- 5 On 29 March 2023, the Cabinet Extreme Weather Recovery Committee (EWR) invited me, in consultation with the Minister of Housing, the Minister for Local Government and the Minister of Climate Change to report back in June 2023 on progress to develop national direction under the RMA to provide a natural hazard planning framework. EWR also invited me to report back on more immediate options to prevent or restrict future development in high-risk areas [EWR-23-MIN-0025].
- 6 A phased approach is being taken to addressing natural hazard risk through the resource management system. On 6 June 2023, Cabinet agreed to start development of a National Policy Statement on Natural Hazard Decision-making (NPS-NHD) [CAB-23-MIN-0217]. This will act as an interim measure to guide all local authorities on the appropriate weight to attach to natural hazard risk in consent decisions and changes to planning instruments relating to future development.
- 7 The second part of the phased approach is to develop a more comprehensive natural hazard planning framework (NHPF) to underpin local authority decision-making on natural hazards. It is intended that, when introduced, the NHPF would incorporate or replace the NPS-NHD.
- 8 The NPS-NHD and the NHPF will be progressed under the current RMA system. The complete transition to the Spatial Planning Act (SPA) and Natural and Built Environment Act (NBA) will take seven to ten years, and the risk to life and property

from inconsistent decision-making on natural hazard risks cannot wait that long to be addressed.

- 9 The NHPF would help address many of the current issues with natural hazard management. It will ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and underpin good decision-making about future land use and adaptation planning. It will also support long-term adaptation and community-led retreat processes under the Climate Change Adaptation Bill (CCAB).
- 10 The NHPF could include:
 - 10.1 a consolidated set of risk management guidance and principles for individual hazards, and standardised approaches to mapping of natural hazards and assessing the level of risk posed by those hazards;
 - 10.2 a risk tolerance framework that incorporates Toka Tū Ake EQC's existing risk tolerance framework and provides national consistency, while being adaptable to suit varying contexts;
 - 10.3 a standardised approach to risk terminology and thresholds to provide clear direction on what terms should be used and when, and a common understanding of what those terms mean for policy responses;
 - 10.4 a policy framework to provide a consistent approach to planning for natural hazards and support adaptation decision-making by strengthening existing policy mechanisms and addressing gaps.
- 11 Given the work that has already been done on natural hazard management in New Zealand, I am confident that national direction can be progressed relatively quickly. The core elements of the NHPF would take 12 to 24 months to develop and implement. If a range of national direction is used (as described in paragraphs 50-53), then the approach may be staged over time.
- 12 I propose that officials start drafting a consultation document that sets out the preferred scope, content and approach for the NHPF, for presentation to Cabinet post-election prior to public consultation.

Background

- 13 On 29 March 2023, EWR considered actions to advance climate adaptation issues that are not directly covered by the Cyclone Recovery Taskforce. The Minister of Climate Change and I proposed developing national direction under the RMA for a natural hazard planning framework to improve planning for natural hazards during the transition from the RMA to the future resource management system.
- 14 EWR invited me, in consultation with the Minister of Housing, the Minister for Local Government and the Minister of Climate Change to progress work to develop a natural hazard planning framework and to report back on progress in June 2023, which I now do [EWR-23-MIN-0025].

National direction to improve natural hazard management will take a phased approach and support the wider adaptation system

- 15 In 2020 the Resource Management Review Panel (the Randerson Panel) recommended mandatory national direction for climate change adaptation and

reduction of risks from natural hazards consistent with the first national climate change risk assessment and the first National Adaptation Plan (NAP) under the Climate Change Response Act 2002.

- 16 While the wider resource management reform programme will address issues with natural hazard management – primarily through the inclusion of natural hazard content in the National Planning Framework (NPF) – this will not take full effect in some regions for seven to ten years. Meanwhile, sub-optimal management of natural hazard risks is likely to continue with significant, long-lasting implications.
- 17 On 6 June 2023, Cabinet agreed to start development of a National Policy Statement on Natural Hazard Decision-making to prevent or restrict future development in high-risk areas [CAB-23-MIN-0217]. The NPS-NHD will act as an interim response to guide all local authorities on the appropriate weight to attach to natural hazard risk in consent decisions and changes to planning instruments relating to future development.
- 18 The NPS-NHD aims to reduce the amount of new development in high-risk areas while the NHPF is under development. I anticipate the NPS-NHD will be produced within six to nine months.
- 19 The NHPF, which is the subject of this paper, is intended to have a broader and more comprehensive scope and build longer-term resilience through better natural hazard management and climate adaptation planning. The NHPF would eventually incorporate or replace the NPS-NHD, and transition into the proposed NPF under the proposed NBA.
- 20 The NHPF will enable local authorities to undertake work that will both inform current RMA planning documents and processes and be transferrable to Regional Spatial Strategies (RSS) and NBE Plans when they are being developed. This will be important to avoid duplication of effort as part of transitioning to the new system.

Issues with natural hazard risk management under the current resource management system

- 21 The RMA is the primary land use planning legislation for local government and provides for the management of natural hazards. The management of significant risks from natural hazards is a matter of national importance under section 6 of the RMA. Territorial authorities and regional councils therefore have responsibilities to manage the use of land to avoid or mitigate natural hazards.
- 22 In achieving the purpose of the RMA, local councils must consider the effects of climate change (section 7 of the RMA). In the context of natural hazard planning, this means considering the exacerbating impacts of climate change on natural hazard risks.
- 23 Currently, the resource management system is not delivering optimal natural hazard risk management outcomes. While there are elements of good practice in some areas, there are examples of natural hazard risks being poorly managed. The recent severe weather events highlighted the impacts on life, property and well-being of poor hazard management.
- 24 There are a number of reasons why this is occurring:
 - 24.1 There is inconsistent identification and assessment of natural hazards and risks. Gaps and inconsistencies in the approach taken to mapping hazards

across different territorial authority areas include a lack of data, and variable approaches to how hazards are mapped.

- 24.2 Risk information is often incomplete or out of date. Older data and risk assessments still in use often fail to account for climate change impacts and future risks beyond the time that consents are granted.
 - 24.3 There is no agreed framework for how decision-makers should consider risk under the RMA. There is a lack of clarity about what a 'significant' risk threshold is, how to assess risk tolerance, and what risks should be assessed and how often (eg health and safety, economic, cultural, social, and environmental risks).
 - 24.4 There are inconsistencies and a lack of clarity on where in the planning process to address natural hazard risk. Where there are objectives and policies in place in regional policy statements and district plans to consider natural hazard risks, these are not adequately reflected through planning provisions.
 - 24.5 Local authority decision-makers are reluctant to make decisions based on the inherent uncertainties of natural hazard science. There is no agreed approach on what constitutes acceptably robust data, and councils are hesitant to address contentious decisions on land use due to fear of litigation.
 - 24.6 There are complex competing priorities when planning for land use and deciding where to develop. This often involves choosing between different types of constraints and risks and the need to balance multiple outcomes. Priorities that decision-makers give more weight to include those reflected in national direction (eg enabling housing development capacity).
 - 24.7 There can be financial constraints for councils obtaining expensive relevant hazard information, and a lack of capability and capacity to appropriately manage natural hazard risks.
 - 24.8 There has been insufficient consideration of natural hazard or climate change impacts on Māori. While some plans acknowledge Māori interests and natural hazard risks in plan objectives, there are no clear rules to give effect to this.
 - 24.9 Engagement with Māori on natural hazard responses and climate change is varied across councils. Greater partnership between government and Māori is needed to identify and manage the impacts of natural hazards and ensure mātauranga Māori and Māori worldviews are incorporated into risk assessment processes.
- 25 Councils are strongly supportive of national direction that will help address these issues and enable good risk-based decision-making at the local level. Such national direction and associated tools need to have sufficient weight to support decision-making that is robust and defensible, while also enabling appropriate local decision-making and input.

How the natural hazard planning framework will improve natural hazard risk management and climate adaptation planning

- 26 The NHPF will help address many of the current issues with natural hazard planning and provide the structure and direction councils are requesting to support local risk-based decision-making.

- 27 The NHPF will help local authorities identify and address risks from natural hazards in a consistent and rigorous way that underpins good decision-making about future land use and adaptation. It would provide detailed direction, clarify roles and responsibilities between local and regional levels for identifying, assessing and managing natural hazard risks, and support alignment with natural hazard planning under other legislative regimes.
- 28 The NHPF can set high-level objectives and policies that local authorities must action within their RMA plans, such as avoiding very high-risk locations and taking a risk-based approach in other locations. It can also standardise methods or other requirements to consider when making consent decisions. It can provide direction on key terms and levels of risk, including what are 'significant risks' under section 6 of the RMA, and which locations are acceptable or not for development.
- 29 The NHPF will be applicable to all locations in New Zealand, take an all-hazard approach (including the interaction between hazards), and include consideration of the effects of climate change on natural hazards. It will address existing and future development and be applicable for both rural and urban environments.
- 30 The NHPF will provide direction on the involvement of Māori in decision-making on natural hazard risk management. Much of the remaining Māori land is disproportionately exposed to natural hazard risk.¹ This means that decisions about future land-use or adaptation to the intensifying effects of climate change may disproportionately impact Māori.
- 31 To provide for te ao Māori perspectives and Te Tiriti o Waitangi principles in decision-making, the NHPF will ensure that Māori have appropriate input into risk assessment processes and have sufficient data to support their own decision-making.

What national direction for a natural hazard planning framework could contain

- 32 The March 2023 EWR Cabinet paper [EWR-23-MIN-0025] on advancing climate adaptation through the recovery, noted that an NHPF would include the following four broad elements:
 - 32.1 standardised mapping and risk assessment methodologies that will inform land use planning decisions in areas of high/multi-natural hazard risks;
 - 32.2 define risk thresholds by developing and implementing a standardised risk tolerance assessment, to clearly define areas that may be 'tolerable'/'intolerable' to natural hazard risks;
 - 32.3 standardised terminology to clearly set out what the terms 'significant natural hazard risk' and 'intolerable natural hazard risk' mean;
 - 32.4 provide a nationally consistent policy approach to land use planning decision-making in high/multi-risk areas.
- 33 These four elements are interlinked and form part of a wider risk management approach.

¹ According to several reports 80% of the approximately 800 marae in the country are in low-lying coastal areas or near flood prone rivers. Te Ture Whenua Māori Act 1993 recognises land as taonga for Māori and promotes the retention, occupation, and development of that land.

Standardised mapping and risk assessment methodologies

- 34 This element is intended to ensure that all natural hazards are appropriately understood to ensure the risk to communities from these hazards can be managed. It will also give local government confidence that the basis for their hazard mapping and associated plan provisions relating to land use would withstand legal challenge.
- 35 A range of existing guidance on risk management for individual hazards already exists and would provide a good foundation for developing national direction specific to each natural hazard.² The principles underlying a risk-based approach are consistent through this existing guidance and could be incorporated into the NHPF. They include undertaking a hazard specific risk assessment process, and some include guidance on engaging with communities and mapping.
- 36 Elevating current guidance into national direction and moving toward an impact or consequence-based hazard risk assessment will avoid inconsistent approaches being taken to planning for managing and adapting to natural hazard risk.
- 37 Standardised mapping of natural hazards and risks would provide greater consistency across spatial strategies, plans, and decision-making. For example, active faults would be mapped using well defined, constrained, poorly constrained, or distributed fault zones; flood hazards could be mapped as primary and secondary overland flow paths, ponding areas, etc.
- 38 As far as possible, data used in the risk assessments should be to a consistent minimum standard and from fit-for-purpose, nationally consistent datasets. Direction could be provided on how to complete a risk assessment with incomplete information; and an alternative pathway could be offered, based on criteria to ensure the quality of the alternative risk assessment.³
- 39 Direction could be developed with Māori to enable Māori-led risk assessments (using mātauranga Māori frameworks, where appropriate). This could include how to incorporate the outputs of Māori-led risk assessments to influence subsequent risk management responses.
- 40 Direction could also be provided on sharing information with communities to inform their understanding and decision-making around risk.

Standardised risk tolerance assessment

- 41 Risk tolerance assesses willingness to bear a risk and informs decision-making on how to manage the potential impacts of a hazard event on things people value.
- 42 New Zealand does not have an agreed regulatory framework, approach, or consistent terminology for assessing risk tolerance. However, Toka Tū Ake EQC has developed an approach to explicitly integrate risk tolerance assessment into hazard risk management, thereby enabling consistent risk management decision-making at national, regional and local levels.

² For example, the Department of Conservation has published guidance on the New Zealand Coastal Policy Statement (NZCPS) objective to ensure that coastal hazard risks are identified and managed; GNS Science has published landslide planning guidance; MFE and MBIE have issued guidance for liquefaction prone land; some regional councils, like Greater Wellington, have flood hazard planning guidance.

³ A similar approach is taken in the Bay of Plenty Regional Policy Statement, which could be adapted for the national direction.

- 43 Toka Tū Ake EQC's risk tolerance framework could be incorporated into the NHPF. It would help to provide national consistency, while being adaptable to varying contexts and ensuring that differing levels of risk are understood and managed appropriately. It would also complement existing processes that are currently working well in some councils.

Standardised terminology

- 44 To manage identified hazard risks effectively and consistently, there needs to be a standardised approach to risk terminology and thresholds. This requires clear direction on what terms should be used and when, and a common understanding of what those terms mean.
- 45 No direction has been provided to determine what 'significant risks' are under section 6 of the RMA, or how they are assessed, mapped, and planned for. Without national direction on what constitutes 'significant', councils are struggling to adequately plan for and manage high-risk locations.
- 46 Thresholds could be set based on existing terminology used in the RMA and National Adaptation Plan, or by taking a clean slate approach and developing new threshold terminology. The NHPF will also need to take into account threshold terminology in the SPA and NBA.

Nationally consistent policy approach

- 47 The development of the NHPF provides the opportunity to develop a consistent approach to planning for natural hazards, including by addressing current policy gaps and strengthening existing mechanisms. This policy framework would provide objectives, policies and methods for councils to use in their regional and district plans, and for decision-making for consents. It would also support planning for areas that communities identify and prioritise for adaptation actions (including actions provided for under the proposed CCAB).
- 48 Based on the knowledge derived from identifying the hazard, understanding the risk, and assessing risk tolerance, councils would apply the policy framework to suit local conditions.
- 49 Matters that officials will consider when developing this policy framework will include:
- 49.1 whether a nationally consistent planning approach is appropriate for a certain level of risk tolerance;
 - 49.2 how to prioritise known natural hazard risks when decision-making (likely incorporating the interim NPS-NHD);
 - 49.3 identifying circumstances where more detailed planning for natural hazard management or adaptation responses might be needed, and timeframes for responding;
 - 49.4 whether there should be prescription around when and where to allow for risk mitigation, and what risk mitigation might be appropriate;
 - 49.5 how to ensure a proper range of adaptation options are considered when deciding how to respond to risks.

Potential form of the natural hazards planning framework

- 50 National direction for a NHPF could be provided through a National Policy Statement (NPS), a National Environmental Standard (NES), or combination of both. Each mechanism has different potential impacts depending on the level and weight of direction central government wants to provide.
- 51 For example, a suite of NES could provide hazard specific requirements relating to risk assessment, risk tolerance assessment, data, likelihoods, and standardised mapping. The NES could be prioritised according to the status of the existing guidance, known highest risk, or current need (eg flooding and landslides based on recent events).
- 52 To assist councils in the implementation of this approach, non-regulatory hazard specific guidance (which could be based on existing guidance that has been reviewed and updated) could be produced to support the intent and expectations of implementation.
- 53 Officials will undertake further analysis on the most appropriate scope and approach for the national direction across each of these areas, including sequencing and timing.

Key considerations in developing national direction providing for a natural hazard planning framework

- 54 In developing the NHPF we will need to consider a range of issues, including:
 - 54.1 alignment with other national direction under the RMA and in the proposed NPF;
 - 54.2 the relationship with the CCAB and other regulatory systems relating to natural hazards risk management (eg the Building Act 2004);
 - 54.3 how aspects of the new resource management system (such as Te Oranga o te Taiao and the Treaty clause) will be reflected, and any relevant Treaty settlement obligations;
 - 54.4 potential implementation impacts on local government and how existing council best practices are built upon to minimise re-working of policies and planning responses;
 - 54.5 potential liability issues that may arise from the application of the national direction;
 - 54.6 the impacts on Māori rights and interests and whenua Māori;
 - 54.7 potential impacts on housing supply and development capacity, and whether further measures are needed to ensure that there is sufficient supply of development capacity and housing in lower-risk areas;
 - 54.8 potential impacts on the property market, the building and construction pipeline, mortgage lending, and insurance provision;
 - 54.9 the role of central government and science providers in providing the necessary data, tools and related resources to enable the implementation of the NHPF.

Interaction of the natural hazard planning framework with other regulatory instruments

The National Planning Framework

- 55 The development of the first NPF will take into account the development of the NHPF. This will assist in integrating the NHPF into the second NPF, which will be in place in time to inform the development of NBE Plans.
- 56 The first version of the NPF will be focused on providing direction to regional planning committees for developing regional spatial strategies. This will include requiring the identification of areas at risk from natural hazards. The intent of the natural hazards provisions of the New Zealand Coastal Policy Statement have also been redrafted into the first NPF.
- 57 The NPF is proposed to include guidance to local government on engagement with Māori. This work will be factored into the development of the NHPF to ensure that, where appropriate, direction for engagement with Māori is consistent.

Existing national direction under the RMA

- 58 The NHPF will need to align with existing national direction that addresses natural hazard management and the objectives of other national direction instruments (eg housing supply and infrastructure provision).⁴ The Ministry for the Environment is currently working with councils and scoping research to understand how intensification plan changes are addressing risks from natural hazards.

Climate Change Adaptation Bill

- 59 On 14 December 2020, Cabinet agreed to progress the development of adaptation legislation [CAB-20-MIN-0521].
- 60 Alongside this Cabinet paper, the Cabinet Environment, Energy and Climate Committee are also considering a paper entitled *Progressing the Climate Change Adaptation Bill*. That paper seeks agreement to a jointly led inquiry by the Environment and Māori Affairs committees, supported by a white paper. This proposed process will support development of the CCAB.
- 61 Planning mechanisms in resource management legislation (the RMA, and then the SPA and NBA) can be used for adaptation planning. The NHPF will support adaptation planning by providing the framework for undertaking risk assessments for prioritising and responding to risks.
- 62 As work progresses on the CCAB, I will work with the Minister of Climate Change to consider whether any additional matters should be included in the NHPF to support the implementation of CCAB proposals.

Process for developing national direction on a natural hazard planning framework

⁴ The New Zealand Coastal Policy Statement 2010 provides direction on managing coastal hazards in the coastal environment including through managed retreat, and the National Policy Statement for Freshwater Management 2020 requires local authorities to consider the foreseeable impacts of climate change in water-take decisions.

The National Policy Statement for Urban Development 2020 (NPS-UD) provides for avoiding development and intensification in areas with significant risks from natural hazards.

Alongside the NPS-UD, the Medium Density Residential Standards in the RMA facilitate housing intensification.

- 63 The RMA sets out process requirements for developing national direction. This includes policy evaluation of the proposal, public consultation, and a board of inquiry or alternative processes to inquire into and report on the proposed national direction.
- 64 Given what has already been done, I am confident that work can be progressed relatively quickly to develop a public consultation document and associated policy evaluation document and regulatory impact statement. **Appendix 1** sets out a gap analysis of existing material that could be incorporated into the natural hazard planning framework.
- 65 Cabinet approval will be required before public consultation on the proposed NHPF, and at various points of the refinement and legislative processes. **Appendix 2** provides more detail on the process steps.
- 66 The core elements of the NHPF will take between 12 to 24 months to develop and implement. If a range of national direction is used (such as an NPS and a suite of NESs), then the approach will likely be staged over time. I will report back to Cabinet with detailed proposals on timing and process.
- 67 Ministry for the Environment officials have worked closely with Toka Tū Ake EQC in preparing this paper. They will continue to work closely with Toka Tū Ake EQC and other relevant agencies as the national direction is developed. These include the Ministry of Housing and Urban Development, the Department of Internal Affairs, Te Waihangā, the Department of Conservation, the Ministry of Transport and Waka Kotahi.

Truncated process to develop national direction on natural hazards is no longer needed

- 68 On 20 March 2023, Cabinet, agreed to “introduce provisions in the Natural and Built Environments Bill that truncate RMA national direction processes for the purposes of natural hazard management” [CAB-23-MIN-0094 Rec. 68].⁵ The purpose was to enable national direction to be developed quickly to inform local council development decisions on areas of high natural hazard risks.
- 69 I consider that developing the NPS-NHD as a short-term measure to prioritise considerations around natural hazards now lessens the need to progress the NHPF using a truncated process. I also consider that the current requirements under the RMA are sufficiently flexible at each stage to provide an efficient and robust process for developing the NHPF, including when undertaking public consultation.
- 70 I therefore propose that the Cabinet agreement to provide for a truncated process in the NBE Bill to develop national direction on natural hazard management is rescinded.

Next steps in developing national direction for a natural hazard planning framework

- 71 I propose that officials start preparing a consultation document for the NHPF. This document will set out the preferred options for the scope, content, and approach of the NHPF, including its intended timing and phasing.
- 72 It will take 6 to 12 months to develop the NHPF consultation material. I will report back to Cabinet with the draft document ahead of starting public consultation.

⁵ Cabinet paper entitled: *Reforming the Resource Management System: Policy Changes to the Spatial Planning Bill and the Natural and Built Environment Bill for Inclusion in Departmental Reports*.

- 73 Engagement will continue with local government, Māori, and stakeholders to inform the development of the consultation document, as well as with the property development, insurance, and finance sectors to understand issues and options.
- 74 Officials will undertake early engagement on the NHPF through the consultation process for the proposed NPS-NHD. The NPS-NHD consultation document will also explain the interaction and intended phasing with the NHPF over time.

Implementation

- 75 Local government has emphasised the need to consider its ability to implement any national direction, including the timeframes and resources needed to do so. Ease of implementation will be a key consideration of the policy development. The final NHPF will need to be accompanied by a range of implementation support measures, such as guidance and training to help build capability and capacity. The specific support required will be set out when more detailed proposals for the national direction are brought to Cabinet.

Financial Implications

- 76 There will be costs in the development of, and consultation on, new national direction under the RMA, and further costs relating to the implementation of the NHPF. Once work has been completed on the scope, content and approach for the NHPF, additional funding for the work programme may be needed through the Cabinet report-back post-election or through Budget 2025. Initial work will be supported from baseline funding through re-prioritisation decisions in consultation with Ministers.

Legislative Implications

- 77 This paper does not have legislative implications. Any new national direction will be through regulation.

Impact Analysis

Regulatory Impact Statement

- 78 There are no regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply.

Treaty of Waitangi impacts

- 79 As already noted, a disproportionate amount of remaining Māori land is exposed to natural hazard risk.
- 80 Engagement will have to factor in capacity of Māori to engage and allow sufficient time for collective decision-making processes. A specific iwi, hapū, Māori engagement plan will be developed. This engagement will be co-ordinated with the NPS-NHD and Future of Severely Affected Land work programmes. Engagement with both Iwi Leaders Group and Te Tai Kaha for feedback on policy proposals ahead of public consultation is anticipated.

Population Implications

- 81 The development of national direction will need to closely consider its potential impact on populations and communities, including on Māori.

Human Rights

- 82 Proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 83 The following agencies were consulted on this Cabinet paper: Ministry of Housing and Urban Development; Treasury, Te Puni Kokiri; Department of Conservation; Land Information New Zealand; Te Waihangā, New Zealand Infrastructure Commission; Ministry of Business, Innovation and Employment; Department of Internal Affairs; Ministry of Transport; Te Arawhiti; New Zealand Transport Agency; and Ministry for Primary Industries.

Communications

- 84 I intend to issue a press release, following this and the earlier June 2023 Cabinet paper, announcing the Government's work to develop natural hazards national direction under the RMA.

Proactive Release

- 85 This paper will be publicly released following a public announcement on the Government's work to improve natural hazard risk management.

Recommendations

The Minister for the Environment recommends that the Committee:

- 1 **note** that natural hazard risks and severe weather events are becoming more frequent and more severe because of climate change, which increases risk to life, property and infrastructure, and costs to the Crown and landowners;
- 2 **note** that the Cabinet Extreme Weather Recovery (EWR) Committee invited the Minister for the Environment, in consultation with the Minister of Housing, the Minister of Local Government and the Minister of Climate Change to:
 - 2.1 progress work to develop national direction under the Resource Management Act 1991 (RMA) to provide a natural hazard planning framework; and
 - 2.2 report back to ENV on progress in June 2023 [EWR-23-MIN-0025];
- 3 **note** that on 6 June 2023 Cabinet agreed that a National Policy Statement on Natural Hazard Decision-making (NPS-NHD) would be developed to guide local authorities on the appropriate weight to attach to natural hazard risk in consenting and planning decisions and act as an interim measure while the natural hazard planning framework is developed [CAB-23-MIN-0217];
- 4 **note** that the proposed natural hazard planning framework (NHPF) is intended to include or replace the NPS-NHD, and will ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and will underpin good decision-making about future land use and adaptation;
- 5 **note** that the NHPF is intended to both inform current RMA planning documents and processes and be transferrable to the National Planning Framework, Regional Spatial

Strategies and Natural and Built Environment Plans in the future resource management system;

- 6 **note** that NHPF is intended to be applicable to all locations in New Zealand, take an all-hazard approach, include the effects of climate change on natural hazards, and address existing and future development;
- 7 **note** that initial work on the scope of the NHPF has indicated it could include:
 - 7.1 a consolidated set of risk management guidance and principles for individual hazards and a standardised approach to mapping natural hazards and assessing the level of risk posed by those hazards;
 - 7.2 a risk tolerance framework that incorporates Toka Tū Ake EQC's existing risk tolerance framework and provides national consistency, while being adaptable to suit varying contexts;
 - 7.3 a standardised approach to risk terminology and thresholds to provide clear direction on what terms should be used and when, and a common understanding of what those terms mean for policy responses;
 - 7.4 a policy framework to provide a consistent approach to land use planning for natural hazards, and support planning for adaption actions, by strengthening existing policy mechanisms and addressing gaps;
- 8 **note** that as work progresses on the Climate Change Adaptation Bill (CCAB), the Minister for the Environment will consider whether any additional matters should be included in the natural hazard planning framework to support the implementation of CCAB proposals;
- 9 **note** that the NHPF is expected to take between 12 and 24 months to develop and implement and may include a range of pieces of national direction staged over time;
- 10 **note** that on 20 March 2023, Cabinet agreed to introduce provisions in the Natural and Built Environments Bill to truncate RMA national direction processes for the purposes of natural hazard management [CAB-23-MIN-0094];
- 11 **agree** that Cabinet rescind the decision referred to in recommendation 10;
- 12 **direct** officials to start preparing a consultation document for the NHPF;
- 13 **note** that the consultation document will set out the preferred scope, content, and approach for the NHPF;
- 14 **note** that officials intend to undertake early engagement on the NHPF, including through the consultation process for the proposed NPS-NHD;
- 15 **note** that the Minister for the Environment will seek Cabinet agreement to the content of the consultation document prior to its release for public consultation;
- 16 **note** that the Minister for the Environment intends to issue a press release following the consideration of this paper announcing the development of natural hazard national direction under the RMA.

IN CONFIDENCE

Authorised for lodgement

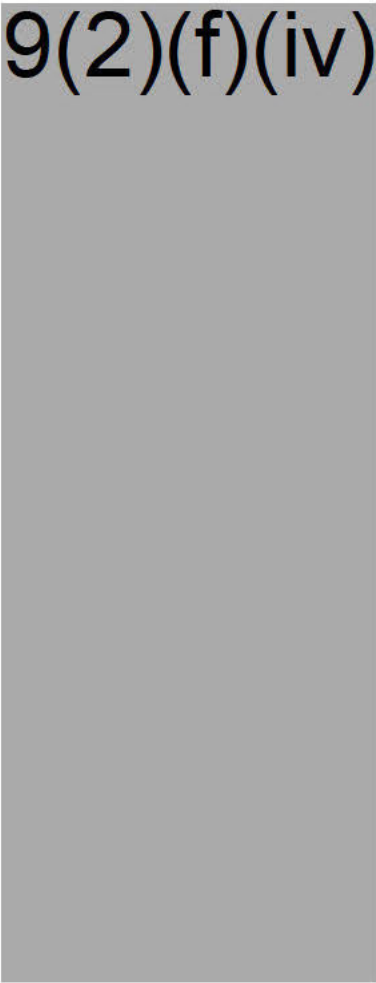
Hon David Parker

Minister for the Environment

Appendix 1: Gap Analysis for proposed Natural Hazard Planning Framework

9(2)(f)(iv)

9(2)(f)(iv)



9(2)(f)(iv)

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Appendix 2: RMA National Direction Development Process Steps

1	<p>Problem definition and scoping</p> <p>To define the policy problem and determine whether national direction is an appropriate and effective tool addressing the problem. Provides the evidential basis for the development of national direction</p> <p><i>Statutory requirements: Informs section 32 and regulatory impact statement, including Minister's functions under section 24(a)(b) and an assessment against section 45(2)</i></p>
2	<p>Policy options and context</p> <p>Determine feasible mix of policy solutions, including what parts of the problem can be addressed by the RMA, how it interacts with other national direction instruments & who will implement the solution and possible costs.</p> <p><i>Statutory requirements: Review against purpose of the RMA and wider resource management framework, informs section 32 and regulatory impact statement.</i></p>
3	<p>Preparing the national direction instrument (Policy development)</p> <p>Develop the form of national direction instrument, including national policy statement and national environmental standards.</p> <p>Draft policy intent, objectives, and outcomes- including the environmental, cultural, economic and social evidence for policy development. Draft key documents, i.e, the cost-benefit analysis, section 32, regulatory impact statements and discussion document for release.</p> <p><i>Statutory requirements: section 32, regulatory impact statement, consider section 43 to section 44 (for national environmental standards) section 45-45A (for national policy statements) and section 46A (single process to develop national direction)</i></p>
4	<p>Preparing the national direction instrument (Public consultation)</p> <p>Formal consultation on national direction instrument, including with iwi authorities, public and stakeholders. The Minister decides whether to progress a Board of Inquiry or alternative process. Requires Cabinet approval before release for public consultation</p> <p><i>Statutory requirements: section 46A (Process for national direction) and section 48 (Public consultation). Also consider section 47-51 of the RMA.</i></p>
5	<p>Policy refinement and legislative process</p> <p>Ministerial consideration of recommendations made by the Board of Inquiry (or alternate process). Finalise policy intent for national policy statement and/or national environmental standards. Both instruments require Cabinet approval before drafting with Parliamentary Commission Office</p> <p><i>Statutory requirements: section 46A, section 47-51 of the RMA.</i></p>

Office of the Minister for Minister for the Environment

Cabinet Environment, Energy and Climate Committee

National Policy Statement for Natural Hazard Decision-Making: Approval to commence public consultation

Proposal

- 1 I seek agreement to commence public consultation on a proposed National Policy Statement for Natural Hazards Decision-Making (NPS-NHD).

Relation to government priorities

- 2 Cabinet noted the need for strong and coordinated action in the recovery from Cyclone Gabrielle, including improving climate resilience [CAB-23-MIN-0056].

Executive Summary

- 3 New Zealand is increasingly at risk from a range of natural hazards, including flooding and landslips, because severe weather events are becoming more frequent. Local authorities (who are responsible for managing significant risks from natural hazards) identify natural hazards, and assess risk and risk tolerance, in a variable and inconsistent way. Central government direction is required to support better decision-making by local government on land use and adaptation in areas at risk from natural hazards.
- 4 On 6 June 2023, Cabinet directed the Ministry for the Environment (MfE) to develop an NPS and to report back in August 2023 [CAB-23-MIN-0217]. The proposed NPS-NHD is an interim tool that will limit New Zealand's natural hazard risk exposure while a more comprehensive piece of national direction, the Natural Hazard Planning Framework (NHPF) is developed over the next 1-2 years.
- 5 The proposed NPS-NHD aims to limit new development in high-risk areas without reducing overall new housing supply. It would direct decision-makers to assess the level of natural hazard risk based on the likelihood and potential consequence of a natural hazard event, and then consider tolerance¹ of a natural hazard event in relation to the new development. Based on this assessment, the proposed NPS-NHD would direct the decision-maker to:
 - 5.1 avoid new development in high natural hazard risk areas unless the level of risk can be reduced to at least a tolerable level
 - 5.2 reduce the risk to as low as reasonably practicable in moderate natural hazard risk areas; and
 - 5.3 enable new development in low natural hazard risk areas.

¹ Tolerance in the NPS-NHD includes the willingness and capability of those who are subject to the risk (such as community, Māori or the Crown) to bear the risk of that natural hazard (including its cost) and any indirect risks associated with it.

- 6 The NPS-NHD would have an immediate effect because decision-makers would need to have regard to it when making resource consent, designation and private plan change decisions on and from the commencement date. Local authorities would also need to give effect to the NPS-NHD through updating their planning instruments as soon as reasonably practicable.
- 7 The NPS-NHD would not affect the requirement for local authorities under the NPS-Urban Development (NPS-UD) or the Medium Density Residential Standards (MDRS) under the Resource Management Act 1991 (RMA) to provide at least sufficient development capacity.
- 8 A disproportionate amount of remaining Māori land is exposed to natural hazard risk. The NPS-NHD would require decision-makers to engage and involve Māori (through existing resource management processes) when making decisions on new developments on specified Māori land² in high or moderate natural hazard areas, and considering the NPS-NHD through a plan change.

Background

- 9 New Zealand is increasingly at risk from a range of natural hazards, including flooding and landslips, because severe weather events are becoming more frequent. Local authorities (who are responsible for managing significant risks from natural hazards) identify natural hazards, and assess risk and risk tolerance, in a variable and inconsistent way.
- 10 Development in areas facing natural hazard risks increases risk to life, property and infrastructure as well exposing people, landowners, councils and the Crown to increased social and economic costs should property and infrastructure be damaged. Central government direction is required to support better decision-making by local government on land use and adaptation in areas at risk from natural hazards.
- 11 While management of natural hazard risk is a matter of national importance under section 6 of the RMA, there are no set standards or direction relating to natural hazard risk planning, including data gathering, mapping and development rules for hazard-prone areas. The way in which local authorities identify natural hazards, and assess risk and risk tolerance, is therefore variable and inconsistent. There is uncertainty about how much weight decision-makers should attach to natural hazard risk in their decisions, and how much weight they should attach to other issues.
- 12 On 29 March 2023, the Cabinet Extreme Weather Recovery (EWR) Committee agreed to a two-phased approach to address natural hazard risk through the resource management system [EWR-23-MIN-0025]. I subsequently provided report backs on each phase:
 - 12.1 the proposed NPS-NHD, as an interim measure to direct all local authorities on the appropriate weight decision-makers should attach to natural hazard risk [CAB-23-MIN-0217]; and
 - 12.2 the proposed NHPF which will provide comprehensive improvements to the way natural hazards are identified and risks are managed through the resource management system. This will take 1-2 years to develop [ENV-23-MIN-0022].

² The NPS-NHD would use the same definition of specified Māori land as the National Policy Statement on Indigenous Biodiversity 2023.

- 13 The proposed NPS-NHD is a necessary interim measure while a NHPF is being developed and resource management reform is being implemented. It aims to make immediate improvements to prevent increasing New Zealand's risk exposure ahead of the NHPF being developed.
- 14 As part of developing the proposed NPS-NHD, Cabinet directed MfE to undertake a programme of targeted engagement with Māori coordinated with the Future of Severely Affected Locations (FOSAL) engagement programme [CAB-23-MIN-0217].
- 15 Cabinet noted that MfE would work with the Ministry of Housing and Urban Development (MHUD) to ensure that, to the extent possible, any tensions between housing development and natural hazard protection is appropriately expressed in the draft consultation documents [CAB-23-MIN-0217].
- 16 The proposed NPS-NHD complements other actions underway or recently implemented to improve how the Government addresses natural hazard risks and impacts. This includes FOSAL, guidance on natural hazard provisions of the Building Act 2004, and improving natural hazard information in Land Information Memorandums (LIMs).
- 17 Toka Tū Ake EQC has partnered with MfE to develop this policy, and the proposed NHPF, due to its relevant expertise and role in improving New Zealand's resilience to natural hazard risk.

Proposal for public consultation

- 18 I seek Cabinet approval to release a discussion document (Appendix One) and draft NPS-NHD (Appendix Two) to facilitate public consultation on the proposed NPS-NHD. I also seek Cabinet authorisation to make final changes to the discussion document and draft NPS prior to public consultation.

Scope of the NPS-NHD

- 19 The proposed NPS-NHD includes all natural hazards as defined by the RMA³ (including the effects of climate change) when making decisions relating to all new physical developments, such as buildings, structures, and new subdivisions. This reflects that damage to all types of new development poses risks to human life and wellbeing, may lead to adverse effects on the environment, and has social and economic costs. It would not affect the ability to undertake new pastoral, agricultural, horticultural, forestry, or open space recreational activities.
- 20 The consultation document will test whether all hazards should be in scope for the NPS-NHD, as it is an interim tool, or if a narrower scope of natural hazards of more immediate risk may be more appropriate.
- 21 The NPS-NHD would require district plans to include natural hazards as a matter of discretion or control for all restricted discretionary and controlled activities specified in the plan. Inserting matters of control or discretion would require a plan change process to be undertaken by local authorities as soon as reasonably practicable. Consultation will test whether further measures such as a National Environmental Standard might

³ The RMA defines natural hazards as: "any atmospheric or earth or water related occurrence (including earthquake, tsunami, erosion, volcanic and geothermal activity, landslip, subsidence, sedimentation, wind, drought, fire, or flooding) the action of which adversely affects or may adversely affect human life, property, or other aspects of the environment".

be required to strengthen this provision, and ensure it has an immediate effect and not rely on a local authority plan change.⁴

Assessing the level of natural hazard risk

- 22 The NPS-NHD would require decision-makers to assess the natural hazard risk based on the likelihood and consequence of a natural hazard event occurring, and the tolerance of that event.
- 23 In assessing the level of natural hazard risk, the NPS-NHD would direct decision-makers to use the best available information at the time of making a planning decision. It will not require them to update their natural hazard information, modelling, or mapping. I expect that the NHPF will require local government to update and improve these datasets.
- 24 Decision-makers would then need to categorise the level of risk as either:
 - 24.1 High Natural Hazard Risk: areas where a natural hazard risk is intolerable. For example, loss of life, significant degree of injury or property or infrastructure damage;
 - 24.2 Moderate Natural Hazard Risk: areas where the level of risk exceeds the low-risk category, but the risk is not intolerable. For example, a natural hazard event would cause some damage but be unlikely to cause intolerable loss of life, significant injury or significant damage to property or infrastructure; and
 - 24.3 Low Natural Hazard Risk: The natural hazard risk is generally acceptable. For example, the level of risk is similar to the level of many everyday risks that people face and accept.
- 25 Further guidance supporting the NPS-NHD would be provided to assist decision-makers in understanding how to undertake this assessment. Guidance would provide advice on how to consider the views of tangata whenua when assessing tolerance, particularly in relation to development on specified Māori land.

Addressing natural hazard risk

- 26 The NPS-NHD would direct decision-makers to take specific actions for new developments based on their assessment of the level of risk. Decision-makers must:
 - 26.1 avoid new development in high natural hazard risk areas unless the level of risk can be reduced to at least a tolerable level;
 - 26.2 reduce risk to as low as reasonably practicable in moderate natural hazard risk areas; and
 - 26.3 enable development in low natural hazard risk areas.
- 27 The NPS-NHD would direct decision-makers to apply the precautionary approach where there are information limitations and allow decision-makers to approve new commercial and infrastructure developments in high-risk areas in some circumstances where this is essential to ensure the continued functioning of that community.

⁴ National Environmental Standards have immediate legal effect; local authorities are not required to change their regional or district plans to implement standards.

- 28 This only applies to new commercial or infrastructure development because these typically have lower occupancy rates than residential dwellings and therefore the consequence of a natural hazard event are less likely to lead to intolerable loss of life.
- 29 The NPS-NHD would also provide direction to decision-makers on what risk reduction measures should be adopted. This encourages decision-makers to adopt the most effective risk reduction approach and supports the use of nature-based solutions.

Intersection with the NPS-UD and housing supply

- 30 The NPS-NHD would not affect the requirement for local authorities to provide at least sufficient development capacity under the NPS-UD or MDRS.
- 31 The NPS-NHD may impact new housing supply and may interact with the NPS-UD and MDRS in the following ways:

- 31.1 development capacity impacts: the NPS-NHD may make it harder for local authorities to meet the requirement to provide at least sufficient development capacity;
- 31.2 uptake of development capacity: the NPS-NHD may create uncertainty for developers that would dampen the supply of housing; and
- 31.3 urban form impacts: the NPS-NHD may mean some areas cannot be developed or intensified, which may impact on a location's overall urban form.

32 s 9(2)(g)(i)

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33 s 9(2)(g)(i)

A large rectangular area of the document has been redacted with a solid grey fill, obscuring several lines of text.

- 34 The proposed NPS-NHD seeks to balance natural hazard protection and housing supply by:

- 34.1 establishing a clear and methodical decision-making framework that is used by all local authorities;
- 34.2 including tolerance considerations, that mean local authorities can be more or less accepting of development and mitigation based on local circumstances;
- 34.3 providing moderate and low categories that are fairly supportive of development;
- 34.4 avoiding specific changes to the Intensification Planning Instrument process (IPI), in order to minimise disruption and complexity for local authorities who are currently undertaking this process;
- 34.5 enabling local authorities to use existing information and decisions on tolerance processes; and

- 34.6 enabling local authorities, which have existing effective natural hazard risk based decision-making objectives and policies, to retain their current approaches.
- 35 MfE will seek feedback, particularly from the development sector, on the implications of the proposed NPS-NHD for housing development through public consultation.

Intersection with the New Zealand Coastal Policy Statement

- 36 The proposed NPS-NHD is broadly consistent with the New Zealand Coastal Policy Statement (NZCPS). If there are inconsistencies between the two instruments, then the NZCPS would prevail over the NPS-NHD. This is consistent with the proposed approach for the National Planning Framework (NPF) under the Natural and Built Environment Act 2023 (NBA).

Compliance with principles of Te Tiriti o Waitangi and effects of the NPS on Māori

- 37 Māori land is disproportionately exposed to natural hazard risk, often as it was the only land the Crown did not acquire historically. According to several reports 80% of the approximately 800 marae in the country are in low-lying coastal areas or near flood prone rivers. Māori communities are more likely to live in rural and remote locations, and in areas with high socio-economic deprivation. These types of communities are more vulnerable to climate hazards such as flooding and landslides and are less able to respond to climate change and natural hazards.
- 38 It is important to recognise the disproportionate impact the NPS-NHD could potentially have on Māori by further limiting their ability to use remaining land. However, it is also important to protect Māori individuals and communities from natural hazards risk.
- 39 MfE has undertaken targeted engagement with iwi/hapū/Māori, s 9(2)(a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 40 The proposed NPS-NHD seeks to acknowledge and deliver on the principles of active protection and tino rangatiratanga by requiring decision makers to engage early and involve tangata whenua when making decisions (through existing resource management processes) on new developments on specified Māori land where there is a high or moderate natural hazard risk. Māori will be involved in assessing the tolerance of a natural hazard event in relation to a new development on specified Māori land.
- 41 Engagement is ongoing with those Post Settlement Governance Entities (PSGEs) and other Māori groups to whom the Crown has made a commitment, under Treaty settlements and other arrangements, to engage on the development of national direction, or where the settlement or other arrangement includes provisions which require particular consideration as part of developing national direction.
- 42 I seek agreement to make changes, in consultation with the Minister for Māori Crown Relations: Te Arawhiti, to the discussion document and draft NPS-NHD to reflect feedback from this engagement prior to their release for public engagement.

Early engagement

- 43 Alongside iwi, hapū and Māori engagement⁵, MfE engaged with local authorities, planning and natural hazard practitioners, and the banking, and insurance sectors, to ensure that the NPS-NHD is workable and can be implemented effectively. These groups typically indicated support for the proposed NPS-NHD because it provides clearer direction on how to manage natural hazard risk. However, these groups also strongly supported the introduction of the NHPF to provide more comprehensive direction.

Proposed consultation process and next steps

- 44 Consultation is proposed to follow the 'alternative' process under section 46A(3)(b) of the RMA which is led by officials (rather than a Board of Inquiry). This will involve giving the public, iwi, hapū and Māori and interested sectors notice of the proposal and providing them with opportunity to make a submission.
- 45 I propose that public consultation on the proposed NPS-NHD take place over eight weeks, between 18 September and 13 November 2023. Consultation materials will be drafted to comply with guidelines for government publicity and advertising and with general election guidance.
- 46 Following public consultation and submissions analysis, officials will provide a report and recommendations on the submissions and the subject matter of the NPS-NHD, required under section 46A(4)(c) of the RMA. Following this, the Minister for the Environment may seek Cabinet approval of the NPS-NHD in accordance with section 52 of the RMA.
- 47 The NPS-NHD would be gazetted under the RMA during the transition period between the RMA and the NBA.

Implementation of the NPS-NHD

- 48 I expect the NPS-NHD would have the following impacts over time:
- 48.1 decision-makers consider this NPS-NHD in resource consent, designations and plan change decisions on and from the commencement date. Decisions will rely on existing plans, including the plan's rules to trigger the need for a consent until a local authority makes a plan change;
 - 48.2 local authorities consider the NPS-NHD as soon as reasonably practicable, including through any scheduled plan change (excluding the IPI processes);
 - 48.3 local authorities may re-map natural hazard risk areas and re-classify the level of natural hazard risk using the framework introduced through the NPS-NHD as part of scheduled plan changes, but this will not be required; and
 - 48.4 the NPS-NHD has legal effect under the RMA during the transition to the NBA (approximately 7-10 years), at which point the NPS-NHD would be integrated into the NPF.

⁵ Including with iwi, hapū, Post-Settlement Governance Entities, marae, Māori advisory groups such as the Freshwater Iwi Leaders Group and Te Tai Kaha, established Ministry for the Environment Māori relationship groups, regional relationship groups and Māori landowners.

49 I propose non-statutory guidance to assist decision-makers in applying the NPS-NHD.

s 9(2)(g)(i)

[REDACTED]

[REDACTED]

[REDACTED]

Financial Implications

53 Developing and implementing the NPS-NHD will be managed from MfE's existing funding.

Legislative Implications

54 The NPS-NHD would have no direct legislative implications. It would be made under existing provisions of the RMA.

Impact Analysis

Regulatory Impact Statement

55 A Supplementary Analysis Report (SAR) is attached at Appendix Three.

56 MfE's regulatory impact assessment panel has reviewed the SAR "National Policy Statement – Natural Hazard Decision-making". The review team considers that it partially meets the Quality Assurance criteria.

57 Despite limited information, there is a strong case for developing a NPS-NHD as a immediate option to addressing natural hazard risk.

58 The SAR notes that the time that has been available for analysis and consultation has been limited given the Cabinet directive to address the urgent nature of the problem. However, this has meant that there has been limited consultation on the content of the proposed NPS-NHD and there has not been sufficient information to enable the analysis to include a quantitative component. The Review Panel noted there are planned measures to address both of these points, though at this point in time they consider this limits the SAR to only partially meeting the criteria.

Climate Implications of Policy Assessment

59 The Climate Implications of Policy Assessment does not apply to this proposal.

Human Rights

- 60 Proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of external consultants

- 61 Two consultants were utilised to progress policy development at the pace necessary for the severe weather recovery, in part because this is a new workstream that required resourcing quickly. One consultant supported the Māori engagement directed by Cabinet [CAB-23-MIN-0217] and one led policy development. Neither consultant was engaged full-time.

Consultation

- 62 The following agencies were consulted on this Cabinet paper: the Treasury, MHUD, Te Puni Kōkiri; Ministry for Primary Industries; Department of Conservation; Land Information New Zealand; Te Waihanga, New Zealand Infrastructure Commission; Ministry of Business, Innovation and Employment; Department of Internal Affairs; Ministry of Transport; Te Arawhiti; New Zealand Transport Agency; Toka Tū Ake EQC; and the Department of Prime Minister and Cabinet.

Communications

- 63 I propose to announce the public consultation in September 2023. MfE will advise councils, business sector groups and PSGEs, groups with existing arrangements, iwi, hapū and Māori of the consultation.
- 64 Ongoing consultation with PSGEs and groups with existing arrangements under Treaty Settlement will continue ahead of and, if necessary, in parallel with the public consultation process.

Proactive Release

- 65 Officials intend to release the paper following Cabinet decisions within 30 business days, making any redactions that are appropriate under the Official Information Act 1982.

Recommendations

The Minister for the Environment recommends that the Committee:

1. **note** that Cabinet directed the Ministry for the Environment (MfE) to develop a draft National Policy Statement on Natural Hazard Decision-making (NPS-NHD) and invited the Minister for the Environment to report back to Cabinet in August 2023 with a draft NPS-HD and a draft discussion document, ahead of public consultation [CAB-23-MIN-0217];
2. **note** that Cabinet directed MfE to undertake a programme of targeted engagement with Māori, coordinated with the Future of Severely Affected Locations engagement programme, as a disproportionate amount of Māori land is exposed to natural hazard risk, and to use this engagement feedback to inform the report back to Cabinet in August 2023 [CAB-23-MIN-0217];
3. **note** that MfE engaged in pre-public consultation hui on the proposed NPS-NHD with iwi, hapū, and Māori, local authorities, and other key stakeholders, which has informed the policy proposals for the draft NPS-NHD;

IN CONFIDENCE

4. **note** that MfE is continuing to engage with Post Settlement Governance Entities and other Māori groups to whom the Crown has made a commitment to consult ahead of public consultation;
5. **agree** to publicly consult on the discussion document at Appendix One and draft NPS-NHD in Appendix Two between 18 September and 13 November 2023;
6. **authorise** the Minister for the Environment to make minor, editorial, and technical changes to the consultation document and/or draft NPS as needed prior to its release;
7. **authorise** the Minister for the Environment, in consultation with the Minister for Māori Crown Relations: Te Arawhiti, to make changes to the discussion document and/or draft NPS as needed prior to its release to reflect the views of Post Settlement Government Entities and other Māori groups to whom the Crown has made a commitment to consult;
8. **invite** the Minister for the Environment to report back to Cabinet in late 2023 on the outcome of public consultation and, if appropriate, to seek approval for gazettal of the NPS-NHD in accordance with section 52 of the Resource Management Act 1991;
9. s 9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]

Authorised for lodgement

Hon David Parker

Minister for the Environment

Appendix One - Discussion document

IN CONFIDENCE

Appendix Two - Draft NPS-NHD

Appendix Three - Supplementary Analysis Report



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Preventing or Restricting Future Development in High Natural Hazard Risk Areas Under the Resource Management Act 1991

Portfolio Environment

On 1 June 2023, the Cabinet Environment, Energy and Climate Committee (ENV):

- 1 **noted** that natural hazard risks and severe weather events are becoming more frequent and more severe because of climate change, which increases risk to life, property and infrastructure, and social and economic costs to people, landowners and the Crown;
- 2 **noted** that local authorities have indicated they want greater direction from central government on how to weigh natural hazards when making consenting decisions and preparing plan changes;
- 3 **noted** that in March 2023, the Cabinet Extreme Weather Recovery Committee (EWR) invited the Minister for the Environment to progress work to develop a natural hazard planning framework [EWR-23-MIN-0025];
- 4 **noted** that a natural hazard planning framework is expected to be incorporated into the proposed National Planning Framework at a later date;
- 5 **noted** that a natural hazard planning framework would ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and would underpin good decision-making about future land use and adaptation in relation to natural hazards;
- 6 **noted** that a report back to Cabinet on a natural hazards planning framework is scheduled for 22 June 2023;
- 7 **noted** that in March 2023, EWR also invited the Minister for the Environment to report back earlier to ENV on more immediate options for preventing or restricting future development in high-risk areas while the natural hazards planning framework is under development [EWR-23-MIN-0025];
- 8 **directed** the Ministry for the Environment (MfE) to begin developing a National Policy Statement on Natural Hazard Decision-making (NPS), which would guide all local authorities on the appropriate weight decision-makers should attach to natural hazard risk;

- 9 **noted** that MfE and the Ministry of Housing and Urban Development (MHUD) will work together to ensure that, to the extent possible, any tension between housing development and natural hazard protection is appropriately expressed in the draft consultation document referred to in paragraph 15;
- 10 **noted** that MfE will engage with MHUD to find ways to align the relevant work programmes on a 1-2 year timeframe that aligns with a more comprehensive national direction on natural hazards, so that all of the impacts and outstanding issues can be worked through;
- 11 **directed** that, since a disproportionate amount of Māori land is exposed to natural hazard risk, MfE undertake a programme of targeted engagement with Māori, coordinated with the Future of Severely Affected Locations engagement programme, feedback from which will inform the report back referred to in paragraph 15;
- 12 **noted** that MfE will also develop advice to inform policy decisions, and produce a draft consultation document for the report back referred to in paragraph 15;
- 13 **noted** that MfE will develop a Supplementary Analysis Report (SAR), which will also assess options other than an NPS;
- 14 **noted** that it is proposed the NPS be included in or replaced by the natural hazard planning framework once it has been developed;
- 15 **invited** the Minister for the Environment to report back to Cabinet in August 2023 with a draft NPS and draft consultation document, ahead of public consultation.

Rebecca Davies
Committee Secretary

Present:

Hon Kelvin Davis
Hon Dr Megan Woods
Hon Willie Jackson
Hon Damien O'Connor
Hon David Parker (Chair)
Hon Jo Luxton
Hon James Shaw

Officials present from:

Office of the Prime Minister
Officials Committee for ENV



Cabinet

Minute of Decision

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Progressing National Direction under the Resource Management Act 1991 for a Natural Hazard Planning Framework

Portfolio **Environment**

On 26 June 2023, following reference from the Cabinet Environment, Energy and Climate Committee, Cabinet:

- 1 **noted** that natural hazard risks and severe weather events are becoming more frequent and more severe because of climate change, which increases risk to life, property and infrastructure, and costs to the Crown and landowners;
- 2 **noted** that the Cabinet Extreme Weather Recovery (EWR) Committee invited the Minister for the Environment, in consultation with the Minister of Housing, the Minister of Local Government and the Minister of Climate Change to:
 - 2.1 progress work to develop national direction under the Resource Management Act 1991 (RMA) to provide a natural hazard planning framework;
 - 2.2 report back to ENV on progress in June 2023;[EWR-23-MIN-0025]
- 3 **noted** that in June 2023, the Cabinet Environment, Energy and Climate Committee (ENV) agreed that a National Policy Statement on Natural Hazard Decision-making (NPS-NHD) would be developed to guide local authorities on the appropriate weight to attach to natural hazard risk in consenting and planning decisions and act as an interim measure while the natural hazard planning framework is developed [ENV-23-MIN-0015];
- 4 **noted** that the proposed natural hazard planning framework (NHPF) is intended to include or replace the NPS-NHD, and will ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and will underpin good decision-making about future land use and adaptation;
- 5 **noted** that the NHPF is intended to both inform current RMA planning documents and processes and be transferrable to the National Planning Framework, Regional Spatial Strategies and Natural and Built Environment Plans in the future resource management system;
- 6 **noted** that NHPF is intended to be applicable to all locations in New Zealand, take an all-hazard approach, include the effects of climate change on natural hazards, and address existing and future development;

- 7 **noted** that initial work on the scope of the NHPF has indicated it could include:
- 7.1 a consolidated set of risk management guidance and principles for individual hazards and a standardised approach to mapping natural hazards and assessing the level of risk posed by those hazards;
 - 7.2 a risk tolerance framework that incorporates Toka Tū Ake EQC's existing risk tolerance framework and provides national consistency, while being adaptable to suit varying contexts;
 - 7.3 a standardised approach to risk terminology and thresholds to provide clear direction on what terms should be used and when, and a common understanding of what those terms mean for policy responses;
 - 7.4 a policy framework to provide a consistent approach to land use planning for natural hazards, and support planning for adaption actions, by strengthening existing policy mechanisms and addressing gaps;
- 8 **noted** that as work progresses on the Climate Change Adaptation Bill (CCAB), the Minister for the Environment will consider whether any additional matters should be included in the natural hazard planning framework to support the implementation of CCAB proposals;
- 9 **noted** that the NHPF is expected to take between 12 and 24 months to develop and implement and may include a range of pieces of national direction staged over time;
- 10 **noted** that in March 2023, Cabinet agreed to introduce provisions in the Natural and Built Environments Bill to truncate RMA national direction processes for the purposes of natural hazard management [CAB-23-MIN-0094];
- 11 **rescinded** the decision referred to in paragraph 10 above;
- 12 **directed** officials to start preparing a consultation document for the NHPF;
- 13 **noted** that the consultation document will set out the preferred scope, content, and approach for the NHPF;
- 14 **noted** that officials intend to undertake early engagement on the NHPF, including through the consultation process for the proposed NPS-NHD;
- 15 **noted** that the Minister for the Environment will seek Cabinet agreement to the content of the consultation document prior to its release for public consultation;
- 16 **noted** that the Minister for the Environment intends to issue a press release following the consideration of this paper announcing the development of natural hazard national direction under the RMA.

Diana Hawker
Acting Secretary of the Cabinet

Secretary's Note: This minute replaces ENV-23-MIN-0022. Cabinet agreed to the rescinding decision in paragraph 11.



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Progressing National Direction under the Resource Management Act 1991 for a Natural Hazard Planning Framework

Portfolio Environment

On 22 June 2023, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that natural hazard risks and severe weather events are becoming more frequent and more severe because of climate change, which increases risk to life, property and infrastructure, and costs to the Crown and landowners;
- 2 **noted** that the Cabinet Extreme Weather Recovery (EWR) Committee invited the Minister for the Environment, in consultation with the Minister of Housing, the Minister of Local Government and the Minister of Climate Change to:
 - 2.1 progress work to develop national direction under the Resource Management Act 1991 (RMA) to provide a natural hazard planning framework; and
 - 2.2 report back to ENV on progress in June 2023;
- [EW-23-MIN-0025]
- 3 **noted** that in June 2023, the Cabinet Environment, Energy and Climate Committee (ENV) agreed that a National Policy Statement on Natural Hazard Decision-making (NPS-NHD) would be developed to guide local authorities on the appropriate weight to attach to natural hazard risk in consenting and planning decisions and act as an interim measure while the natural hazard planning framework is developed [ENV-23-MIN-0015];
- 4 **noted** that the proposed natural hazard planning framework (NHPF) is intended to include or replace the NPS-NHD, and will ensure local authorities identify and address risk from natural hazards in a consistent and rigorous way and will underpin good decision-making about future land use and adaptation;
- 5 **noted** that the NHPF is intended to both inform current RMA planning documents and processes and be transferrable to the National Planning Framework, Regional Spatial Strategies and Natural and Built Environment Plans in the future resource management system;
- 6 **noted** that NHPF is intended to be applicable to all locations in New Zealand, take an all-hazard approach, include the effects of climate change on natural hazards, and address existing and future development;

- 7 **noted** that initial work on the scope of the NHPF has indicated it could include:
- 7.1 a consolidated set of risk management guidance and principles for individual hazards and a standardised approach to mapping natural hazards and assessing the level of risk posed by those hazards;
 - 7.2 a risk tolerance framework that incorporates Toka Tū Ake EQC's existing risk tolerance framework and provides national consistency, while being adaptable to suit varying contexts;
 - 7.3 a standardised approach to risk terminology and thresholds to provide clear direction on what terms should be used and when, and a common understanding of what those terms mean for policy responses;
 - 7.4 a policy framework to provide a consistent approach to land use planning for natural hazards, and support planning for adaption actions, by strengthening existing policy mechanisms and addressing gaps;
- 8 **noted** that as work progresses on the Climate Change Adaptation Bill (CCAB), the Minister for the Environment will consider whether any additional matters should be included in the natural hazard planning framework to support the implementation of CCAB proposals;
- 9 **noted** that the NHPF is expected to take between 12 and 24 months to develop and implement and may include a range of pieces of national direction staged over time;
- 10 **noted** that in March 2023, Cabinet agreed to introduce provisions in the Natural and Built Environments Bill to truncate RMA national direction processes for the purposes of natural hazard management [CAB-23-MIN-0094];
- 11 **agreed to recommend** that Cabinet:
- 11.1 rescind the decision referred to in paragraph 10 above;
- 12 **directed** officials to start preparing a consultation document for the NHPF;
- 13 **noted** that the consultation document will set out the preferred scope, content, and approach for the NHPF;
- 14 **noted** that officials intend to undertake early engagement on the NHPF, including through the consultation process for the proposed NPS-NHD;
- 15 **noted** that the Minister for the Environment will seek Cabinet agreement to the content of the consultation document prior to its release for public consultation;
- 16 **noted** that the Minister for the Environment intends to issue a press release following the consideration of this paper announcing the development of natural hazard national direction under the RMA.

Rebecca Davies
Committee Secretary

Present: (see over)

Present:

Hon Dr Megan Woods
Hon Dr Ayesha Verrall
Hon Willie Jackson
Hon David Parker (Chair)
Hon Kieran McAnulty
Hon Willow-Jean Prime
Hon Rachel Brooking

Officials present from:

Office of the Prime Minister
Officials Committee for ENV



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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National Policy Statement for Natural Hazard Decision-making: Approval to Commence Public Consultation

Portfolio Environment

On 24 August 2023, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that in June 2023, the Cabinet Environment, Energy and Climate Committee (ENV) directed the Ministry for the Environment (MfE) to develop a draft National Policy Statement on Natural Hazard Decision-making (NPS-NHD) and invited the Minister for the Environment to report back to Cabinet in August 2023 with a draft NPS-HD and a draft discussion document, ahead of public consultation [ENV-23-SUB-0015];
- 2 **noted** that ENV directed MfE to undertake a programme of targeted engagement with Māori, coordinated with the Future of Severely Affected Locations engagement programme, as a disproportionate amount of Māori land is exposed to natural hazard risk, and to use this engagement feedback to inform the report back to Cabinet in August 2023 [ENV-23-SUB-0015];
- 3 **noted** that MfE engaged in pre-public consultation hui on the proposed NPS-NHD with iwi, hapū, and Māori, local authorities, and other key stakeholders, which has informed the policy proposals for the draft NPS-NHD;
- 4 **noted** that MfE is continuing to engage with Post Settlement Governance Entities and other Māori groups to whom the Crown has made a commitment to consult ahead of public consultation;
- 5 **agreed** to publicly consult on the discussion document attached at Appendix One and draft NPS-NHD in Appendix Two to the paper under ENV-23-SUB-0037, between 18 September and 13 November 2023;
- 6 **authorised** the Minister for the Environment to make minor, editorial, and technical changes to the consultation document and/or draft NPS as needed prior to its release;
- 7 **authorised** the Minister for the Environment, in consultation with the Minister for Māori Crown Relations: Te Arawhiti, to make changes to the discussion document and/or draft NPS as needed prior to its release to reflect the views of Post Settlement Government Entities and other Māori groups to whom the Crown has made a commitment to consult;

8 **invited** the Minister for the Environment to report back to Cabinet in late 2023 on the outcome of public consultation and, if appropriate, to seek approval for gazettal of the NPS-NHD in accordance with section 52 of the Resource Management Act 1991;

9 s 9(2)(g)(i)

Rebecca Davies
Committee Secretary

Present:

Hon Damien O'Connor
Hon David Parker (Chair)
Hon Kieran McAnulty
Hon Willow-Jean Prime
Hon Rachel Brooking
Hon Jo Luxton

Officials present from:

Office of the Prime Minister
Officials Committee for ENV