



PROACTIVE RELEASE COVERSHEET

Minister	Minister Watts	Portfolio	Climate Change
Name of package	Regulatory Impact Statement: Local Adaptation Planning	Date to be published	30/10/2025

List of documents that have been proactively released

Date	Title	Author
8/08/2025	Regulatory Impact Statement: Local Adaptation Planning	Ministry for the Environment

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 from the *Regulatory Impact Statement: Local Adaptation Planning* under Section s9(2)(f)(iv) of the Official Information Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

Regulatory Impact Statement: Local Adaptation Planning

Decision sought	Final decisions on creating a statutory requirement for local authorities to develop Adaptation Plans (APs) in priority areas, according to regulations.
Agency responsible	Ministry for the Environment
Proposing Ministers	Minister of Climate Change
Date finalised	19 / 08 / 2025

Briefly describe the Minister's regulatory proposal

These proposals on Adaptation Plans (APs) are one of two proposals for Cabinet decisions as part of the 'National Adaptation Framework' (NAF).

Local decision makers are often unable to effectively plan for managing the effects of climate-related natural hazard risks on assets and residential property in their jurisdiction. Defining the process and content parameters can improve the effectiveness of plans by clarifying roles and responsibilities, setting minimum standards and expectations, and making better use of existing plans, with priority given to the riskiest locations.

We have undertaken independent analysis, and recommend creating a statutory requirement for local authorities in priority areas to develop APs, according to primary legislation and regulations. In order to maximise process and decision-making efficiencies across the system and avoid duplication of effort, identification of locations where APs are required will be undertaken as part of the spatial planning process under the proposed Planning Act. Territorial authorities would then have the responsibility to develop the APs. Local authorities would also be required to undertake processes, prescribed by regulation, that reflect the needs of Māori communities.

Summary: Problem definition and options

What is the policy problem?

The main problem is that Councils are often not able to effectively plan for managing the effects of climate-related natural hazard risks on assets and property in their jurisdiction.

This stems from three interrelated problems:

- councils have competing/conflicting priorities, which often have legislative requirements

- a lack of common direction around roles and responsibilities and minimum expectations for adaptation planning processes, including for Māori involvement
- scale and complexity of the process, including complexity with implementation

and symptoms:

- where there are competing priorities, adaptation planning is not always prioritised in the areas that would most benefit from it (e.g., highest risk).
- Adaptation planning that is occurring is highly variable, leading to less certainty around how locations will manage climate-related natural hazard risks, which affects market confidence.

What is the policy objective?

These proposals on APs are one part of the NAF, which has a wider scope based on ‘Four Pillars’ as agreed by Cabinet at ECO 10 April 2024. They are based on Pillar 2: Roles and Responsibilities.

On 15 April 2024, Cabinet agreed to the objectives of the National Adaptation Framework [CAB-24-MIN-1201]:

- minimise expected long-term costs
- ensure responses and funding support to property owners, if any, are predictable, principled, fair, and rules-based wherever possible (i.e. not decided after each event)
- improve climate risk and response information flows
- address market failures and support market efficiency
- people have the incentive and ability to manage risk.

These AP proposals reflect each of the NAF’s objectives but especially the objectives for predictable, principled, fair and rules-based responses and support for property owners, minimising expected long-term costs, and providing the incentive and ability for people to manage risk.

What policy options have been considered, including any alternatives to regulation?

The Ministry has considered these proposals through a package of three option sets:

- Option set one regarding where the process parameters should be set:
 - 1.1 status quo, 1.2 regulatory intervention, or 1.3 updating guidance.
- Option set two regarding roles and responsibilities for identifying priority locations:
 - 2.1 status quo, 2.2 Regional Councils/Unitary Authorities, 2.3 Central Government, 2.4 Proposed Spatial Planning committees, and 2.5 CDEM Groups.
- Option set three regarding Māori involvement in planning and prioritisation processes:
 - 3.1 status quo, 3.2 enhanced engagement, and 3.3 decision-making role.

What consultation has been undertaken?

The Ministry has undertaken over 100 targeted engagement hui over the 2024/2025 period, though not exclusively on APs.¹

We have also used submissions on climate change and natural hazards more broadly, and consultation on other elements of the NAF.

Since 2022, public consultation relevant to adaptation planning includes:

¹Refer to [Report of the Expert Working Group on Managed Retreat: | Ministry for the Environment](#)

- a. Public consultation on the National Adaptation Plan in 2022 (including a specific focus area on managed retreat)²
- b. Public consultation on national direction on natural hazards in 2023³
- c. Briefing on Māori Climate Adaptation by the Māori Affairs Committee published in July 2023⁴
- d. Government Inquiry into the Response to the North Island Severe Weather Events from July 2023 to March 2024⁵
- e. Environment Committee inquiry into climate adaptation which ran from August 2023-May 2024⁶ which then transitioned into the Finance and Expenditure Committee inquiry into climate adaptation from May-October 2024⁷
- f. targeted engagement including with PSGEs, some yet to settle groups, pan Māori groups and stakeholders, including local government and adaptation practitioners
- g. MfE established an Independent Reference Group in 2023 to support the policy development process.⁸

Further detail on consultation and engagement is contained in Section 1, and in subheadings under the different options in Section 2.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes

² Consultation document available at: <https://environment.govt.nz/publications/adapt-and-thrive-building-a-climate-resilient-aotearoa-new-zealand-consultation-document/>

³ Consultation document available at: <https://environment.govt.nz/publications/proposed-national-policy-statement-for-natural-hazard-decision-making-2023/>

⁴ Final report available at: [Briefing on Māori climate adaptation](#). The Government Response to the Māori Affairs Committee recommendations was proactively released by the Ministry for the Environment online: <https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/proactive-release-of-government-response-to-the-report-of-the-maori-affairs-committee-on-the-briefing-on-maori-climate-adaptation/>

⁵ Final report available at: <https://www.dia.govt.nz/Government-Inquiry-into-the-Response-to-the-North-Island-Severe-Weather-Events>

⁶ The report is available here: <https://selectcommittees.parliament.nz/v/2/a3fe0e05-8abb-418d-8f44-08dba45709b6>. Summary of submissions available at: [Ministry for the Environment \(Summary of submissions to the Environment Committee\) - New Zealand Parliament](#)

⁷ Details about the inquiry are available at: <https://www.parliament.nz/en/pb/sc/committees-press-releases/climate-adaptation-inquiry-completed/>. The Government Response to the recommendations of the inquiry is available at: <https://bills.parliament.nz/v/4/b5788d9e-e092-48c8-6ed9-08dd3fefce00>

⁸ Independent Reference Group on Climate Adaptation. 2025. A proposed approach for New Zealand's adaptation framework. [A-proposed-approach-for-New-Zealands-adaptation-framework-final.pdf](#).

Summary: Minister's preferred option in the Cabinet paper

Costs

Local authorities face most of the financial costs of developing and implementing APs. Costs are highly variable as risk management responses are different for each hazard, and dependent on the scale of APs. Overall, we can expect an initial increase in costs as APs are developed where they otherwise may not have been.

We estimate between \$852k - \$5.12m per required plan.⁹ This estimate includes planning that goes beyond the requirements of our proposal. At the least, Councils will have to communicate the changes, approx. \$15k per Council per plan. Investment in risk reduction activities are a focus of Pillar 3 of the NAF and can support implementation of APs.

There is no new funding or financing mechanism proposed to assist Councils, so there may be increased rates for homeowners in areas identified as priority locations, or other work programmes may be de-prioritised as Councils seek to fund this work. Other reforms and direction for local government may compound the challenge of funding APs when councils are looking to reduce costs.

Benefits

Improving Councils' ability to prioritise adaptation planning is likely to have significant indirect benefits.

The AP process improves local authorities' awareness of adaptation investment opportunities, which can be pursued in a clear, predictable, and measured way.¹⁰ This is communicated to affected communities, homeowners, service providers and infrastructure owners, who can make better informed decisions about risks.

We can expect process efficiencies from having a clearly defined process.

Balance of benefits and costs

The proposals are likely to result in more frequent plans of a higher standard with initially higher costs for local authorities.

Several benefits outweigh these costs:

- **Better decision-making:** Resilience-building actions taken by Councils (or private actors based on an awareness of Council's plans) are likely to have significant return on investment (ROI), due to them being identified in the AP process, which will be robust. The initial cost of the plans is outweighed by avoided costs through resulting risk-reduction and resilience-building actions. This net benefit relies on the assumption that APs will result in better decisions.
- **Process efficiencies:** Reduced risk of cost escalation for APs due to a more prescriptive process that limits scope and sets expectations. More efficient coordination and cooperation processes between councils sharing resources and less duplications such as hazard data, often sourced through consultants. Process will not invalidate existing plans.
- **Stakeholder support:** Councils have consistently expressed their desire for change, both in consultation over several years, and through our targeted engagement. They are likely to welcome the changes that increase certainty, reduce 'process churn', and making adaptation decision-making faster and less contentious.

Implementation

⁹ MfE sourced data.

¹⁰ Evidence suggests adaptation investments can have high returns on investment, as seen in benefit-to-cost ratios (BCR) between 2:1 and 10:1. These figures are referenced in the body.

Implementation of the full proposals will come later once regulations are developed. We explore the likely effects on different groups below.

Limitations and Constraints on Analysis

Ministerial direction for adaptation legislation by the end of 2025

This RIA focusses on a legislative approach to adaptation planning as we have been asked by Ministers to explore legislative options. Furthermore, adaptation planning is one part of the overall approach addressing the broader problem posed by climate change in New Zealand. Further work will be done in future to ensure that we have a comprehensive framework to respond to climate change.

Relation to the Planning Act

One of the options is intended to work with the Government's proposed Planning Act and the development of spatial plans under that Act. The analysis of the implementation of this option is limited – this is due to the Planning Act currently going through a legislative process and the provisions around spatial planning being subject to change. We will provide regulatory impact assessment of these changes as part of that legislative process.

Further regulations and impact assessment

This RIA has done a full analysis of the considerations for setting up a regulatory system for adaptation planning. Subject to agreement to progress, regulations that detail how adaptation plans are made and what they contain will be developed – these will be accompanied by their own regulatory impact analysis.

Limited information about costs and benefits of options

New Zealand's varied geography and risks, along with the differing resources and capabilities of Councils and local needs and interests determine what actions are in APs, and how they are carried out. Therefore, the costs and benefits are mostly indirect and dependent on the detail of each plan and the effectiveness of implementation.

Benefits through avoided social or environmental costs exist, but they are hard to quantify. Planning benefits wellbeing by helping actors choose to live in safer areas, minimising the trauma that significant climate change-related events can cause due to loss of home or work.

Councils and other local groups may share additional information about costs and benefits as we follow this process.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:



Thomas O'Flaherty
Manager – Adaptation Systems
19/08/2025

Quality Assurance Statement	
Reviewing Agency: Joint Panel (MfE and DIA)	QA rating: Meets
Panel Comment: The RIS for Local Adaptation Planning meets the quality assurance criteria. It marks an initial step in a broader regulatory process, with further analysis and RISs to follow.	

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

1.1. Increasing climate risks in New Zealand

2. Evidence demonstrates the climate is changing in New Zealand and globally. This increases the severity, intensity and frequency of natural hazard events.¹¹
3. New Zealand is vulnerable to climate risks such as flooding and slips, sea level rise inundating our coastal cities, erosion, and severe weather events, such as the recent Cyclone Gabriel and Auckland Anniversary floods. We are the “second riskiest country in the world” according to Insurance Council New Zealand.¹²
4. These risks are long-term, complex, and actions to address them relate to many different actors and legislation, which makes them difficult to manage.

1.2. Higher costs where people live and work

5. Climate risks have increasing financial, social, and environmental costs in New Zealand. There are significant costs related to infrastructure, such as housing, public, or private capital, and subsequent effects on productivity, including:
 - a. Approximately \$4 billion of three waters infrastructure, \$1.0 billion of roading and \$1.2 billion of buildings and facilities is exposed at 1.5-metre sea level rise. The approximate total value of all exposed infrastructure is \$8.0 billion.¹³
 - b. Treasury estimates between \$9–14.5 billion in damage to physical assets due to the Auckland Anniversary floods and Cyclone Gabrielle – with more than half relating to damage to public infrastructure.¹⁴
 - c. DPMC estimates \$50 million cost to the Crown annually specifically from flooding, which is projected to increase to \$231–261 million per annum by 2050.¹⁵
6. Costs are not distributed evenly across society, with some groups experiencing greater impacts than others and sometimes with less capacity to manage them¹⁶, including Māori.

¹¹ including flooding, heatwaves, drought, wildfire, sea level rise and coastal inundation. Refer to p.7 CCC [CCC-NAPPA_bookmarked2.pdf](#)

¹² <https://www.icnz.org.nz/industry/media-releases/nz-ranked-2nd-riskiest-country-in-the-world/>

¹³ Report available at: [Planning-for-Sea-Level-Rise-v7-FINAL.pdf](#) Local Government New Zealand 2020 *Vulnerable: The quantum of local government infrastructure exposed to sea level rise.*

¹⁴ CCC p.27

¹⁵ Before the Deluge 2.0 (flood protection proposal) [1702942770396.pdf](#)

¹⁶ Before the Deluge 2.0

1.3. Disproportionate impact of climate risk on Māori

7. The Briefing on Māori climate adaptation (June 2023)¹⁷ identified that Māori are among those likely to be most affected by climate change in Aotearoa-New Zealand. In its sixth assessment report in 2022, the IPCC noted specific risks to Māori from climate change.¹⁸ These include:
- a. economic risk due to the heavy investment by Māori in climate-sensitive sectors, including agriculture, forestry, fishing, and tourism
 - b. large proportions of collectively owned land vulnerable to erosion, which is projected to be exacerbated by extreme rainfall
 - c. changing drought occurrence, particularly across eastern and northern Aotearoa, projected to affect primary sector operations and production
 - d. Māori-owned lands and cultural assets located on coastal lowlands vulnerable to sea level rise
 - e. risks to fisheries and aquaculture from changes in ocean temperature and acidification
 - f. exacerbation of health inequities.
8. Māori have a special cultural and spiritual attachment to their land.¹⁹ Hapū and iwi have strong connections to their traditional rohe.²⁰ Risks posed by climate change threaten their rights and interests over land.

1.4. Proactive responses can reduce long-term costs

9. The Climate Change Commission recommends proactive actions to manage climate risks and help reduce the costs of climate change over coming years and decades.²¹
10. Proactive investment in resilient infrastructure can have many benefits. The New Zealand Infrastructure Commission Te Waihangā identifies that investment in resilience delivers benefits in 96% of scenarios.²² Further, there are benefit-to cost-ratios (BCRs) ranging from 2:1-10:1²³, increased productivity to upgrade infrastructure and innovate, and broader social and environmental benefits from preventing disruptions or injuries in the immediate aftermath of events.
11. Other examples of financial benefits include:
- 12. \$4 million upgrade to the Taradale stop bank against a 1 in 500-year flood event, which protects \$7.6 billion of private property including 10,000 houses
 - 13. \$148.59 million in net benefits from an initial \$247.65 million investment for category 2 cyclone mitigation
 - a. \$30-50 million in savings on 'direct asset replacement' due to Orion's \$6 million investment in seismic strengthening of power infrastructure.

¹⁷ Briefing on Māori climate adaptation: Report of the Māori Affairs Committee. June 2023 [Briefing on Māori climate adaptation](#).

¹⁸ IPCC, Climate Change 2022: Impacts, Adaptation and Vulnerability, pp 1630–1631.

¹⁹ Report of the Māori Affairs Committee. June 2023 [Briefing on Māori climate adaptation](#)

²⁰ Report of the Māori Affairs Committee. June 2023 [Briefing on Māori climate adaptation](#)

²¹ CCC, p.29 [CCC-NAPPA_bookmarked2.pdf](#)

²² Te Waihangā Asset management state of play - [taking-care-of-tomorrow-today-asset-management-state-of-play-report-combined.pdf](#)

²³ NZIER report (2024), [Economic appraisal of flood risk mitigation programmes](#); Swiss Re study [Flood risk: protective measures up to ten times more cost-effective than rebuilding | Swiss Re](#).

14. It is the nature of climate risks that drives the need for New Zealand’s continued adoption of proactive approaches.²⁴

1.5. National Adaptation Framework

15. The increasing impacts of climate change on the built environment has driven public interest in adaptation policy. The National Adaptation Framework is the Government’s response.
16. Arising from Pillar two: Roles and Responsibilities, these proposals aim to improve clarity on roles and responsibilities for local risk responses. APs are the first of many possible proactive responses to climate-related natural hazard risks the Government wants to prioritise through the NAF.

1.6. Local responses to climate risk are recommended

17. The Climate Change Commission, Finance and Expenditure Committee, and the Ministry’s Independent Reference Group²⁵ recommend that the Government set out a clear legislative mandate for adaptation planning and action at the local level.
18. Climate Change Commission:²⁶
- a. Recommendation 1: Enable effective local adaptation planning and action
 - b. Recommendation 3: Ensure iwi/Māori can plan for and carry out adaptation action
19. Finance and Expenditure Committee recommendations:²⁷
- a. “We recommend to the Government that there should be a comprehensive national framework set out in legislation that establishes a clear mandate for local and central government...as it relates to climate adaptation.”
20. Independent Reference Group recommendations:
- 21. Ensure councils undertake adaptation planning in a way that considers the costs and benefits of a full range of protect–adapt–retreat–avoid (PARA) options
 - 22. Ensure that, in making decisions, consideration is given to the specific needs of small or rural communities and iwi/hapu/Māori
 - 23. Ensure adaptation planning is mandated in the Local Government Act 2002 and linked to long-term plans, the Resource Management Act 1991, and civil-defence and emergency-management decision-making
 - 24. For whenua Māori and Māori cultural infrastructure, tangata whenua should be enabled to collaborate on adaptation with local and central government and to make their own adaptation planning decisions.

²⁴ “[t]raditional ‘response and recovery’ approach to climate events, [may be] unsuited for increasingly more frequent [climate risks]. For such ongoing changing risk situations, monitoring and timely detection of emerging changes ... are crucial to ensuring effective and timely adaptation choices.”

²⁵ A group formed by the Ministry with industry experts that advised on NAF policy development. Full report is linked above.

²⁶ He Pou a Rangi Climate Change Commission 2024 report assessing progress on implementation and effectiveness of the first national adaptation plan
https://www.climatecommission.govt.nz/public/Monitoring-and-reporting/NAPPA-2024/CCC-NAPPA_bookmarked2.pdf

²⁷ Report available at: <https://selectcommittees.parliament.nz/v/6/821f67ff-6f67-43d2-cd3a-08dce18146d7> Finance and Expenditure Committee 2024 Inquiry into Climate Adaptation

1.7. More needs to be done to enable Māori adaptation planning

25. The Māori Affairs Committee Briefing on Māori Climate Adaptation²⁸ recommended 22 principles for the Government to consider. Adaptation planning processes should give effect to Te Tiriti o Waitangi—the Treaty of Waitangi through informing Māori about risk, recognising the value of Mātauranga Māori, enabling local responses, relating to values, practices and identity. Further, acknowledging Māori rights and interests as they relate to land and treaty settlements, protection of significant sites, and ensuring that all parties uphold their Treaty obligations.
26. The Finance and Expenditure Committee recommended the Crown fulfil its treaty obligations by considering options including resourcing Māori adaptation planning and action where possible and enabling collaborative decision-making and governance.²⁹

1.8. Adaptation Planning as proactive risk management

27. Adaptation planning is the first of many possible proactive actions to manage climate-related natural hazard risks locally. Sometimes following a methodology, otherwise done *ad hoc*, it involves assessing risk to assets and deciding on an approach or several concurrent approaches to adjust to over time.³⁰
28. When done correctly, adaptation planning can help decision-makers select or invest in optimal long-term options.
29. For example, having a plan in place means that infrastructure providers can make investment decisions that maximise asset life over long periods (e.g. 50 years) with increased confidence of stable regulatory settings and support from Council, alongside other infrastructure. They can plan to reduce level of service over time
30. Equally, someone building on a riverside property might choose a different site or alter the building plans to minimize the risk of flooding damage based on data or zoning in Council's plans
- a. This may also support iwi/hapū/Māori to make decisions related to their rights and interests in land, including for Treaty settlements, customary rights, whenua Māori and associated cultural and community assets.
31. Where councils can show they are taking action to reduce risk, this can have a positive impact on whether insurers continue providing, and cost of, insurance to an area and provides clarity for banks to enable long-term investments in resilience.

1.9. Examples of adaptation planning

32. A desktop analysis³¹ identified that 58 of 78 local authorities showed evidence of adaptation planning. Of these, 13 authorities have developed at least one adaptation plan, or are in the process of developing plans. Some examples of adaptation plans include:

²⁸ [Briefing on Māori climate adaptation](https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/proactive-release-of-government-response-to-the-report-of-the-maori-affairs-committee-on-the-briefing-on-maori-climate-adaptation/). The Government Response to the Māori Affairs Committee recommendations was proactively released by the Ministry for the Environment online: <https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/proactive-release-of-government-response-to-the-report-of-the-maori-affairs-committee-on-the-briefing-on-maori-climate-adaptation/>

²⁹ The full list of recommendations in the report available here: <https://selectcommittees.parliament.nz/v/6/821f67ff-6f67-43d2-cd3a-08dce18146d7> Finance and Expenditure Committee 2024 Inquiry into Climate Adaptation.

³⁰ Several methodologies can assist with planning, for example, the 'Prevent, Avoid, Retreat, Accommodate' (PARA), 'Avoid, Control, Transfer or Accept' (ACTA) or 'Dynamic Adaptive Policy Pathways' (DAPP). DAPP was issued as part of MfE Coastal hazards and climate change guidance in 2017 (and updated in 2024).

³¹ This research did not involve engagement with councils, as such there are limitations due to the variable quality and availability of information.

- a. Westport Master Plan – Flood focused relocation plan for the town
 - b. Thames-Coromandel Coastal Shoreline Management Pathways project – focused on coastal hazards across the District
 - c. Clifton- Tangoio Coastal Hazards Strategy – multi-council project focused on coastal hazards
 - d. Amberly beach in Hurunui, Canterbury – an adaptation plan focused on coastal erosion risk for a small settlement
 - e. Banks Peninsula (Whakaraupō/Lyttleton to Koukourarata/Port Levy) – a coastal hazards adaptation plan prepared by Christchurch City Council primarily addressing risks to council infrastructure
 - f. Auckland’s Shoreline Adaptation Plans – looking at how councils' assets can be managed in 20 locations across the region
 - g. Makara Beach project – a community lead collaborative process supported by Wellington City Council³²
 - h. Hutt City Council River-Link project – an integrated project connecting investment in flood protection, roading and urban revitalisation
 - i. Māori- adaptation planning includes Maketu Climate Plan, and climate change strategies of Te Rūnanga o Ngāi Tahu Climate Strategy and Ngāa Rauru Kiitahi.³³
33. Other adaptation planning (or resilience improvement) decisions can occur as one-off decisions in Activity Management Plans, for example through stormwater network design decisions, or as part of funding decisions in the Long-Term Plan, or as part of on-going work under the Soil Conservation and River Control Act to maintain, repair or extend flood controls.

1.10. *Local Government’s adaptation roles and functions*

34. Most community-level and regional adaptation decisions fall to Local Government, as the primary decision maker for infrastructure investment³⁴ and land use planning requirements.³⁵
35. The main pieces of legislation governing these decisions are:

Resource Management Act 1991 (RMA)	Local authorities implement requirements under the RMA through regional and district plans, which guide land use, development, and protection. The New Zealand Coastal Policy Statement: Coastal Hazard and Climate Change Guidance supports Local Adaptation Planning through national direction on coastal hazard risks management.³⁶
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³² Adaptation by Mana Whenua: Initiatives, challenges and working with councils, 2023 Deep South Science Challenge. [Adaptation-by-Mana-Whenua-initiatives-challenges-and-working-with-councils.pdf](#); [He Toka Tu Moana Maketu Climate change Adaption 045561.indd](#)

³³ Te Puni Kōrihi [Understanding climate hazards for hāpori Māori – Insights for policy makers report](#) 2023; [Report-of-the-Expert-Working-Group-on-Managed-Retreat-updated-08-24.pdf](#)

³⁴ For example, on flood protections, three-water services.

³⁵ Including zoning, district and regional plans, resource consents.

³⁶ Refer: [Coastal-hazards-and-climate-change-guidance-2024-ME-1805.pdf](#)

Local Government Act 2002 (LGA)	The LGA enables democratic local decision making and promotes the social, economic, environmental, and cultural well-being of communities. As part of a 30-year Infrastructure Strategy, Councils must identify and manage climate risks including funding for these activities. They also have responsibilities to maintain essential services to properties and businesses under their jurisdiction, including water.
Civil Defence Emergency Management Act 2002 (CDEMA)	The CDEMA provides for the establishment of a state of emergency and empowers authorities to order evacuations if necessary for public safety. Group plans ensure a coordinated approach to emergency management by identifying hazards, clarifying roles and responsibilities, and detailing operational arrangements.
Soil Conservation and Rivers Control Act 1941 (SCRCA)	The SCRCA provides the power to maintain all works necessary to prevent or lessen the likelihood of flood damage and erosion.

36. Much of this legislation is currently under reform; notably, the CDEMA which has a similar objective to APs.³⁷ For Māori, the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 may affect how existing partnerships formed with local government are implemented. The impacts of reforms on AP are detailed in Section 3.

1.11. *Central Government's adaptation roles and functions*

37. Central Government's adaptation decisions have local consequences. Investment in maintenance, new works, or resilience works by central government can substantively impact the adaptation options available to a local community. Central Government's roading investments (State Highways, Regional Land Transport Plan funding), railroad network protections, and discretionary funding mechanisms, among others, each influence the choices and feasibility of adaptation options.
38. There are no existing requirements for Central Government to participate in local adaptation planning decisions. The National Adaptation Plan³⁸ guides Central Government's role and actions – and is primarily focused on what it can do to better support adaptation decisions by others by providing better information and by setting out Crown Agency actions.

³⁷ The CDEMA largely aims to support efficient and effective responses after an event, instead of before.

³⁸ The National Adaptation Plan is prepared under the Climate Change Response Act, 2002

What is the policy problem or opportunity?

The main problem is that Councils are not able to effectively plan for managing the effects of climate-related natural hazard risks on assets and property in their jurisdiction.

This stems from three interrelated problems:

- Councils have competing and conflicting priorities, which often have legislative requirements
- A lack of common direction around roles and responsibilities and minimum expectations for adaptation planning processes, including for Māori involvement
- Scale and complexity of the process, including with implementation.

1.12. *Councils need more direction to prioritise adaptation planning*

39. In 2024, research undertaken as part of the Deep South National Science Challenge, Local Authorities and Community Engagement on Climate Change Adaptation³⁹ shows that local government are uncertain about:

- a. Their roles and responsibilities
- b. Scale and timing of climate change impacts
- c. Engagement strategies, amid concerns of public pushback
- d. Finding workable solutions
- e. Financial implications.

40. This report, and others, are the starting point for analysis as they demonstrate the three underlying causes of less effective adaptation planning.⁴⁰

1.13. *Must compete with mandatory activities*

41. Councils said that resources allocated for adaptation planning can be taken over for other, mandatory projects, whereas adaptation is not mandatory.⁴¹

42. A recognised gap in the system is “the lack of a clear, specific, mandated requirement to reduce risk through planning for, and implementation of, adaptation”.⁴² The absence of a clear legislative and policy setting can hamper community adaptation efforts, including by tangata whenua.⁴³

43. Climate risks can have long-term, subtle effects, meaning that other, more immediate issues relating to “day-to-day Council functions”, or even managing the effects of acute events such as storms or floods can take precedence over long-term strategic thinking and limit investment.⁴⁴

44. Council must meet the expectations of ratepayers about adaptation, as without long-term support, stakeholders were “less likely to try and implement new plans that were different

³⁹ [Engagement-for-Adaptation-Infosheet-July-2022.pdf](#)

⁴⁰ Session 4, p.8, has a broad summary of issues faced for implementing risk assessment tools by local authorities across all three issues: [00-A-Decade-of-Dynamic-Adaptive-Decision-making-tools-in-New-Zealand-Practice-applications-lessons-learned-and-next-steps_Minisymposium-summary-of-findings-with-slides.pdf](#)

⁴¹ Report can be found here: [116b67e83a9b41409d2746acbdd87c6beea99d95](#) Ministry for the Environment. 2024. *Departmental Report: Finance and Expenditure Committee inquiry into climate adaptation* (pp, 29, 47).

⁴² P.9: [Report-of-the-Expert-Working-Group-on-Managed-Retreat-updated-08-24.pdf](#)

⁴³ Deep South Challenge [E4 Policy-brief DeepSouth Embedding-Adptn_26Jun24](#)

⁴⁴ DSC [Supplementary document: robust and just decision making for local government climate response | Deep South Challenge](#)

from entrenched practices”, combined with other barriers of “ongoing monitoring costs and the need for long-term strategic policy by the council [that] still had to be overcome”.⁴⁵

1.14. *Unclear roles and responsibilities and process*

45. The requirements for adaptation planning sit across many pieces of legislation (table above). This creates ambiguity around process and roles and responsibilities of different local actors, such as Unitary or Territorial authorities, and Regional Councils, and to a lesser degree, Central Government.
46. Stakeholder engagement highlighted issues such as inefficiencies with each authority designing their own adaptation planning processes, and that responsibilities can overlap between regional and territorial authorities, impacting the coordination and integration of adaptation planning.⁴⁶
47. A 2016 report on the RMA found a variety of issues with process, including:
 - a. “a lack of clarity and consensus about the overall objective for managing natural hazards ... ranging from managing, through minimising, not increasing, mitigating, avoiding to reducing risk to natural hazards and further through to the concept of building resilience.”
 - b. Further lacking, was a “national view on [‘acceptable’ risk] or an agreed mechanism to define this”, and the use of different frameworks and methodologies, denoting a “lack of consistency and conflicting drivers from different parts of the regulatory framework”.⁴⁷
48. These issues with the RMA and other Local Government systems and processes are relevant as they are often how Councils implement adaptation plans or would implement them.

1.15. *Inherent complexity of climate change adaptation*

49. As noted above, adaptation deals with long-term, interrelated and uncertain risks.⁴⁸ The scope of the problem is potentially very broad and therefore difficult to manage.⁴⁹ Reports note that planners and communities can be overawed or overwhelmed with the complexity of managing climate risks.⁵⁰ The Deep South Challenge notes several technical challenges with interpreting and applying DAPP pathways in examples such as Mākara beach, Hurunui, St Kilda Coastal Plan, Auckland and Motueka, including by New Zealand Defence Force, Department of Conservation, Manaaki Whenua –Landcare Research, and NIWA.⁵¹
50. Complexity cannot always be managed with a council’s resources, capability and capacity.⁵² This compounds the effects of competing priorities and unclear processes. It is harder to resource a voluntary, complicated and unclear process.

⁴⁵ DSC: as above: p.37.

⁴⁶ Stakeholder engagement sessions: Aotearoa Climate Adaptation Network 2024-2025

⁴⁷ Tonkin+Taylor’s 2016 *Risks based Approach to Natural Hazards under the RMA*; Deep South Challenge (DSC).

⁴⁸ Tonkin+Taylor (2016) p.41

⁴⁹ Our analysis found that adaptation plans for suburban, urban areas, or where small settlements have been combined into a larger adaptation plan are likely to take much longer to develop than plans for discrete, small communities within a district, for example, the Hutt River Management plan took 10 years to develop, with implementation ongoing, and reflects the complexity of adapting at scale.

⁵⁰ T+T (2016) p.41, 4.2.3.

⁵¹ P.13 onwards. [00-A-Decade-of-Dynamic-Adaptive-Decision-making-tools-in-New-Zealand-Practice-applications-lessons-learned-and-next-steps_Minisymposium-summary-of-findings-with-slides.pdf](#)

⁵² Our analysis found that all councils used external providers to get at least some of the data suggesting they do not have in-house capability or capacity, or it is less efficient for councils to do so.

1.16. *Minimum expectations for Māori involvement*

51. The Waitangi Tribunal found that Māori do not have sufficient representation in local government.⁵³ In *Te Mana Whatu Ahuru*, the Tribunal found that lack of representation meant that Māori are excluded from many decisions made by local authorities.⁵⁴
52. Feedback from engagement with Māori representatives indicated that reliance on the current systems may place limitations on effective Māori participation in adaptation planning and implementation.⁵⁵ These issues are recognised in the Deep South Challenge's *Risk based insurance pricing and te ao Māori*, and the Māori Climate Platform.⁵⁶
53. Delegated authority from the Crown to Local Government means these rights and duties under the Treaty may not be upheld in practice, considering the recognised barriers to the public sector's engagement with Māori.⁵⁷
54. The current settings for engagement under the LGA are inconsistently implemented, meaning Māori involvement in council processes is variable depending on existing relationships. This is further compounded by existing issues of complexities and competing priorities for adaptation planning.⁵⁸

1.17. *Symptoms are less effective adaptation actions, and higher overall costs*

55. The problems above results in reduced scope, varied timeframes, or plans not being based on the highest risks, or non-practicable actions. For example:
 - a. only two local authorities (Hawkes Bay Regional Council and Hurunui) had the recommended 100-year timeframe.⁵⁹
 - b. plans in Wellington, Mākara and Kāpiti coast were developed due to local pressure, but may not be the highest priority locations considering the number of homes or infrastructure at risk. Mākara was also not implemented due to funding constraints.
 - c. in other, 'at risk' locations adaptation work has not begun or stalled, such as Ruawai, Motueka, Wairoa.
56. Without carrying out adaptation planning in the highest-risk areas, local government is unable to manage climate risk effectively. In turn, homeowners, businesses, and service providers lack clarity around Councils intentions regarding adaptation planning and investments to inform their own risk management decisions.

1.18. *Worsening negative symptoms for Māori*

57. There is no clear avenue for Māori to advocate for their adaptation interests in respect of land and cultural values/locations (when competing against other issues and values).
58. A lack of planning may impact how assets of interest for Māori are managed both by the Council and for Māori themselves. For example:

⁵³ Waitangi Tribunal, *The Wairarapa Ki Tararua report*, Wai 863, vol 3, p 896, also see Waitangi Tribunal, *Tauranga Moana, 1888-2006: Report on the Post-Raupatu Claims*, Wai 215, vol1, pp 479-480.

⁵⁴ Waitangi Tribunal, *He Mana Whatu Ahuru: Report on the Te Rohe Pōtae Claims*, Wai 898, vol 4, pp 2255.

⁵⁵ The RMA and LGA have been criticised by the Waitangi Tribunal for not providing sufficient mechanisms for Māori participation.

⁵⁶ <https://environment.govt.nz/assets/OIA/Files/OIAD-1119/BRF-4150-Maori-Climate-Platform-Initiative-Redacted.pdf>

⁵⁷ Many public organisations do not properly plan how they will meet their commitments, nor do they prioritise sufficient resources to do so. How public organisations are fulfilling Treaty settlements. Controller and Auditor General. April 2025 Pg 4.

⁵⁸ "Applying cultural considerations and inputs into a DAPP approach is highly complex, especially when balancing the needs of 19 iwi entities in one region." P.57 (slide 4)

⁵⁹ Longer timeframes better reflect fully realised costs and benefits over time though extended timeframes are harder to model.

- a. the value of sites or land of significance to Māori may not be fully captured by the current response options⁶⁰
- b. Indigenous Knowledge (IK) systems that could benefit adaptation outcomes (not only for Māori) would be less likely to be incorporated into council plans
- c. delays or a lack of action might impact the Crown's Treaty obligations to Māori impinging on certain rights and interests, or upholding Treaty settlements.

What objectives are sought in relation to the policy problem?

59. As stated, these proposals share the same objectives of the NAF as other proposals; however, they do not directly interact.
60. On 15 April 2024, Cabinet agreed to the objectives of the National Adaptation Framework [CAB-24-MIN-1201]:
- a. minimise expected long-term costs
 - b. ensure responses and funding support to property owners, if any, are predictable, principled, fair, and rules-based wherever possible (ie, not decided after each event)
 - c. improve climate risk and response information flows
 - d. address market failures and support market efficiency
 - e. people have the incentive and ability to manage risk.
61. Adaptation Planning is designed to achieve the objectives for 'predictable, principled, fair and rules-based responses to property owners', 'minimising expected long-term costs', and providing people with the 'incentive and ability' to manage risk.

What consultation has been undertaken?

1.19. Engagement on RIA options

62. Engagement on the specific options in this RIA is described in the 'options' section below.
63. Targeted engagement took place between March and July 2025 with specific councils, representative organisations and groups (including Aotearoa Climate Adaptation Network, Taituarā, Te Uru Kahika and council Special Interest Groups). Te Uru Kahika also engaged with their members and included this in their feedback. Our engagement included representatives from Auckland City Council, Thames-Coromandel District Council, Hawkes Bay Regional Council, Christchurch City Council, Whakatāne District Council, Gisborne District Council, Greater Wellington Regional Council, Bay of Plenty Regional Council, Otago Regional Council, Environment Canterbury, Tasman District Council, Northland Regional Council and Dunedin City Council.
64. We expect to continue to engage with local government as policy development on adaptation planning and the wider framework continues.

⁶⁰ Māori traditionally place other value on land, aside from financial (ie, intrinsic value and historical or cultural).

1.20. Engagement on National Adaptation Framework (relevant to AP)

65. Since 2022, there has been a range of public consultations on adaptation to climate change and natural hazards.⁶¹ Primarily supporting the Framework's development was the Independent Reference Group (IRG).⁶²
66. The Ministry has carried out a range of targeted engagement with Post Settlement Governance Entities (PSGE), yet to settle groups, pan-Māori groups and stakeholders such as local government, including networks such as the Aotearoa Climate Adaptation Network, Te Uru Kahika and Taituarā.
67. Key themes from local government show a desire to improve local decision making by reducing Central Government barriers⁶³, and improving their ability to conduct community engagement. The consequences for future generations and vulnerable communities were frequently raised, particularly for debt and funding infrastructure. Councils seek more support from Central Government for planning, either financially or regarding regulatory system stewardship or assets.⁶⁴
68. For Māori adaptation, IRG advised on working with rūpū Māori such as the National Iwi Chairs Forum (NICF) to develop a unique approach for Māori. This was reflected in two different approaches identified during engagement:
69. a proposal to create a Māori Adaptation Entity. This entity would be de-centralised, based on Treaty obligations, system efficiency and equity. Its function would be focussed on adaptation planning, resourcing and coordination
70. support for regional councils leading general adaptation planning. For Māori involvement in adaptation planning, a decision making and involvement in adaptation model was proposed to provide inclusively for all Māori rights and interest holders such as the 'Tiriti House'/Three House Model'.⁶⁵

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

71. We have used three criteria for analysing options. These are the same criteria across the NAF.

Table 2 – NAF criteria

Criteria	Explanation
Support proactive risk management by decision-makers at all levels	This includes: Supporting individuals to make well-informed decisions by reducing uncertainty about government's intentions, policies and priorities

⁶¹ Briefing on Māori climate adaptation: Report of the Māori Affairs Committee. June 2023 [Briefing on Māori climate adaptation](#); Expert Working Group on Managed Retreat. 2023. Report of the Expert Working Group on Managed Retreat: A Proposed System for Te Hekenga Rauora/Planned Relocation. Wellington: Expert Working Group on Managed Retreat.

⁶² [Independent climate adaptation report released | Ministry for the Environment](#) (9 July 2025)

⁶³ Such as when there is key infrastructure for the community that is owned by central government (eg, rail and state highways). Some councils have approached central government agencies to inquire about adaptation plans for key infrastructure and were told no plan existed.

⁶⁴ Creating legislative settings that are more conducive to AP.

⁶⁵ Tikanga-based; Inclusive of all rights and interest holders (supported by a register); Adequately and equitably resourced.

	Supporting incentives for decision-makers to manage risk Supporting markets (especially property, insurance, banking) to function efficiently
Be practical , so that it can feasibly be implemented	This includes: Effective alignment with other systems and processes (including upholding Te Tiriti) Imposing manageable and reasonable costs to actors
Be fair/politically durable , to avoid costs, delays and uncertainty due to policy change	This includes: Supports enduring and stable policy settings and political consensus

What scope will options be considered within?

72. To address the interrelated problems with complexity, lack of legal standing and integration with existing systems, we have identified parameters for an adaptation planning process: the development of ‘Adaptation Plans’ (APs).
73. These parameters assume that APs should be focussed on the areas of highest risk.⁶⁶ This likely⁶⁷ means risks of coastal (inundation and erosion) and flood (pluvial and fluvial) hazards impacting residential land, including the services and infrastructure that support residential activities.
74. The intent of setting new parameters for APs is to provide a baseline, rather than a target for Councils. Retaining local flexibility is crucial for Councils seeking less significant, discrete adaptation decisions for their communities. However, a baseline of APs being in place in high-risk locations and according to a standardised process allows decision-makers to have confidence in the processes and durability of adaptation planning in priority locations.
75. Based on feedback from Councils, the IRG, and various reports, we determined APs should have parameters relating to:

Identifying locations where an AP will be required	a) Responsibility for identifying priority locations
Developing prioritised APs	a) Responsibility for preparing APs for identified priority locations b) Process, content and review of APs
Implementing APs	a) The relationship between APs and other statutory planning documents, including LIMs b) Monitoring oversight of prioritisation and development of APs c) Liability and financial measures d) Local government decision making and resource management reform

⁶⁶ not only exposure but scale of impact including financial cost.

⁶⁷ “likely” only as this detail will come in regulations later.

Incorporating existing planning	a) How to transition the system from the current state to the agreed approach, without impeding plans already underway
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76. We consider the following option ‘sets’ regarding the AP parameters above:

- a. the first set describes whether legislation is needed
- b. the second set describes options for who is responsible for prioritising locations
- c. the third set describes options for Māori participation in adaptation planning.

77. Detail and options for the process and content components of Adaptation Plans will be considered in a separate paper, with an accompanying RIS as part of developing secondary legislation. Elements that are subject to the design of regulations are signalled in this paper and are indicative of a possible outcome.

78. The following key will be used to assess each option against the status quo:

--	-	0	+	++
Much worse than the status quo	Worse than the status quo	About the same as the status quo	Better than the status quo	Much better than the status quo

What options are being considered?

Option Set 1: Intervention method

79. We propose options for how to set out the parameters necessary for a minimal AP, ranging from status quo to regulatory intervention.

80. We have not included an option where all process elements are provided for in primary legislation. The process and content of APs requires significant detail to provide clarity, and may be updated over time, for example to reflect best practice. This is more appropriately placed in secondary legislation or guidance.

Intervention method Options

Option Description	Benefits	Costs and risks
Option 1.1 Status Quo <i>Identifying locations where an AP will be required</i> Councils determine priority locations without following a prescribed process. Collaboration between territorial authorities and regional councils is determined on a case-by-case basis under the existing LGA. <i>Developing prioritised APs</i> APs are developed using the broad enabling functions for local authorities developing strategies and policies under the LGA and follow the standard process requirements outlined in the LGA. APs may be developed by regional councils or territorial authorities. Engagement or communication with communities and individuals on adaptation occurs as required by the LGA.	• Supports the principle of subsidiarity and uses local knowledge to determine locations • Councils can follow, in part or full, MfE's Coastal Hazard guidance. • flexible so that local government can undertake adaptation planning whenever they choose to • local government can design methods and processes for adaptation planning that work for them and can be tailored to their local area and community values • No change to existing systems – no new implementation costs	• ad hoc approach across the country depending on the priorities, capacity and financial abilities of different councils • Prioritisation may be influenced by localised issues or pressures (e.g. lobbying) instead of risk-based considerations • There is no standardised requirement for information about timeframes for identifying, completing, or reviewing APs. • MfE's Coastal Hazard guidance has a relatively narrow scope, needs updating and is discretionary • There is currently no clarity around how APs relate to other planning documents, potentially reducing the impact of APs in relation to other documents • Does not meet the RIS criteria to support proactive risk management e.g. will not increase consistency or access to quality information on adaptation planning, help to address market failure
Option 1.2 Regulatory intervention (preferred option)	• provides the certainty that councils have requested	• Less flexibility to update roles and responsibilities in primary legislation, and

Option Description	Benefits	Costs and risks
An adaptation plan will provide strategic planning and coordination of actions and investment needed by local government to manage climate-driven natural hazard risks; and communicate that to communities. <i>Identifying locations where an AP will be required</i> The identification process for priority locations would be provided for in legislation. However, this will likely be under the Planning Act, or associated secondary legislation, in order to maximise process and decision-making efficiencies across the system. Further priority locations may be determined at the discretion of the decision makers, following any required process, based on new information or significant events. <i>Developing prioritised APs</i> Changes would be made to primary legislation requiring TAs to develop APs for identified priority areas in accordance with regulations. A regulation making power would be used to prescribe the process for developing, adopting and communicating APs (including timing); set minimum content requirements of APs; and to set requirements for reviews, monitoring and reporting. The MCC will have an intervention power to extend timeframes at the request of local authorities. <i>Transitional arrangements</i> Primary legislation would specify the transitional arrangements for existing plans made by the relevant local authority. Council may resolve to deem existing plans an AP where minimum requirements are met: - relating to coastal or flood hazards impacting residential land, activities and associated infrastructure; - consultation; and - notification to the affected landowners, residents and MCC.	- provides clarity on both the process and content required for adaptation plans - provides certainty to communities and others about their role in adaptation planning - allows private land and asset owners to make informed choices based on intended adaptation actions, hazards and risks - Flexibility for councils to undertake other adaptation work in locations not identified through the prioritisation process, at their discretion, and some powers for MCC to intervene or waive requirements as required - Greater certainty around who is required to carry out AP in priority locations, and the process and minimum standards for this, as described in regulation - Regulations are visible, enduring, and created following a robust public process.⁶⁸ Further guidance could clarify any part of the processes set out in regulations - Allows existing work to be transferred into the new system ensuring efforts to date are not wasted or duplicated - can require appropriate engagement to occur with the community, mana whenua, stakeholders and network utility operators	to a lesser extent reduced flexibility for updating processes in regulations - additional requirement on local government - cost to councils to undertake adaptation planning, particularly in those council areas where there has been minimal or no planning to date - could create expectations of central government support for implementation

⁶⁸ usually made by Order-in-Council with Royal Assent by the Governor General.

Option Description	Benefits	Costs and risks
	relationship to other local authority documents can be specified, giving APs more 'weight'	
Option 1.3 Guidance Central government provides guidance or templates on how to do adaptation planning or aspects of adaptation planning that local government can use if/when they undertake adaptation planning. <i>Identifying locations where an AP will be required</i> Updating guidance would clarify central government's expectations for adaptation planning in certain locations. <i>Developing prioritised APs</i> Guidance can outline a recommended process and content for APs, clarify the roles and responsibilities of different local government actors, and how to inform and involve different actors. Guidance can outline the ideal relationship with other planning documents.	- The main advantage is that guidance can be easily updated to include new information about regions and risks, methods or progress and best practice - Likely that guidance will be politically durable - allows for flexibility, so that local government can undertake adaptation planning as they are able to - provides additional information, processes, and tools to help local government undertake adaptation planning, especially those Councils with less experience in local adaptation planning, providing a recommended baseline approach - no legislative changes required - Provides guidance to support a range of hazards, as the coastal hazards guidance put out by MfE is not designed to respond to all hazards and effects of climate change	- local adaptation planning continues to be ad hoc across the country, depending on the priorities, capacity and financial abilities of different councils - effectiveness of guidance will depend on what is in the guidance materials, capacity of councils to undertake the work in accordance with the guidance and how (or if) it is used by councils - Being voluntary, there is no guarantee that Guidance is followed - Guidance may not be sufficiently directive for local decision-makers to prioritise action, as they must balance adaptation with other, mandatory activities under existing legislative processes, leaving decision makers in a similar situation to the present status quo - Without a mandate there is a risk of already vulnerable communities being left behind (in some instances) where adaptation planning is not undertaken

Engagement summary for intervention method options

81. Targeted engagement showed greatest support for Option 1.2 – regulatory intervention, including a statutory requirement for Local Government to carry out planning in high-risk areas, elevating its priority for decision-makers.
82. Feedback suggested that while guidance was useful, it did not address the main concerns of adaptation planning competing with other legislative requirements of councils.

Intervention method options comparison to status quo

	Option 1.1 – Status Quo	Option 1.2 – Regulatory intervention (preferred)	Option 1.3 – Update guidance
Support proactive risk management by decision-makers at all levels.	Legislative settings do not support effective adaptation planning, with variable levels of preparation or investment, not proportionate to risk. Reinforces perception of Central Government ‘insurer of last resort’ MfE has published some guidance, and international best practice can be used Private actors are not usually well informed of local risks, as they make their own decisions depending on the services available, and there is a lack of AP. (0)	Much stronger direction about prioritisation. Requirements are more visible, a nationally consistent baseline, specify roles and responsibilities for APs that are given similar weight to other responsibilities Adaptation Plans are required to be developed for priority locations, to provide strategic coordination of actions and investment needed to manage natural hazard risks and communicate risks and intended responses by local authorities Reduces perception of CG insurer of last resort, as responsibility is shifted to asset owners and councils. Process to amend primary legislation and develop regulations features robust engagement and high-stakeholder buy-in (++)	More information about risk in some locations and more visible, content requirements are nationally consistent, signal who is doing what about which risks on a national level May be perceived as not suitable for regional differences/too centralised (+)
Be practical, so that it can feasibly be implemented	No common standards for prioritisation, content, implementation, or methods. Scope of planning can be prohibitively broad as the default. Continued challenges with coordination and balancing with other activities (0)	Less ability to update methods, process, or any other detail in legislation to account for most recent best-practice and learnings Clarity and consistency on expectations for process and content Responsibilities for local government, are in legislation, elevating priority of adaptation planning (though no guarantee they comply, but likely) Higher short-term costs – LG would need to resource adaptation planning at the required level (+)	Easy to update in line with Best Practice and learnings Clarity and consistency on expectations for process and content Guidance is not guaranteed to be used in the intended ways Lack of weight of responsibility for LG to elevate priority vs other priorities that have legal weight (0)
Be fair/politically durable, uncertainty due to policy change	Other established planning processes exist, guidance and legislative requirements Approach depends on reaction to extreme events or circumstances rather than best practice, proactive methods, or best outcomes/lowest overall societal cost	Will establish a process and signal to the system about what is expected in line with statutory requirements, addressing the main problem More durable – but risk of entrenching negative approach (low: mitigated through effective consultation)	Like status quo through voluntary processes and delegations Some additional benefit to longevity and coherence due to putting it all together in the same place More flexible – means political decisions at national level through changes to guidance prescription currently have this option but not clear about it

	Some groups are overlooked or need additional support not provided for specifically eg vulnerable Lack of clarity/certainty for all parties as to roles, support, management approaches (0)	Accountability for the responsible actors as roles and responsibilities are defined, but not too different in practice Less flexible to account policy change and executive preference (depending on the kind of regulation) slight risk of future repeal or reform as with any legislation. However, actors want it and consult on regulations (++)	Allows for local discretion however, so local political decisions, short-term or non-systemwide priorities Lack of set timeframes to come into force to drive compliance (0)
Overall assessment	0	+5	+1

Option set 2: Responsibility for prioritisation

83. This option set considers the potential actors to determine priority locations, initially and ongoing.

84. Only actors with similar governance roles are considered (e.g., not private individuals or groups)

Responsibility for prioritisation Options

Option Description	Benefits	Costs and risks
Option 2.1 Status Quo Ad hoc prioritisation The power to make decisions that relate to local adaptation are largely the responsibility of local government, as it is the primary decision-maker for many adaptation actions, such as infrastructure investment and land use or subdivision decisions.	Existing processes, no new implementation requirements	- There is no formal process for coordination or prioritisation to focus resources to the areas of highest risk and distinguishing the roles of different actors for adaptation. This can result in duplication, de-prioritisation, or misalignment - The separation of regional and territorial functions, such as flood and coastal management can add complexity to adaptation planning at the local government level
Option 2.2 Regional councils/Unitary Authorities identify priority locations that require Adaptation Plans Regional Councils (RC) /Unitary Authorities (UA) prioritise locations for adaptation planning. They will work with TAs, drawing on existing processes and resources, and may also work with iwi and service providers to determine locations.	Fits well with existing relationships and functions of RC/UAs, who are likely to have, or can access, relevant natural hazard data, local knowledge and perspectives	regional councils would have to fund priority location identification, including data and modelling that may be required for risk assessments where existing data is insufficient

Option Description	Benefits	Costs and risks
Coordination would be managed by the Councils. Central government can assist by developing a process for coordination and prioritisation and overseeing its implementation and adherence by RC/UAs. For this option to be most effective, this responsibility for RC/UA to identify priority locations for APs would be provided for as part of the legislated AP package.	• ensures consistency across a region (rather than different approaches at territorial authority level) • provides flexibility for regional councils and territorial authorities to work collaboratively on adaptation planning if that is preferred in the region	
Option 2.3 Central government identifies priority locations The Minister of Climate Change (in consultation with Councils and affected stakeholders) identifies and prioritises locations that require an AP. The Minister of Climate Change may identify a new priority location(s) requiring an Adaptation Plan following a natural hazard event. For this option to be most effective, this responsibility for central government to identify priority locations for APs would be provided for as part of the legislated AP package.	• Stronger, nationally consistent direction • Can respond to natural hazard events which change the risk profile of a location • May provide a quick start by identifying high risk areas most in need of adaptation planning • May be better resourced to undertake identification process	• Top-down approach may not be well received by local government, who would be responsible for undertaking adaptation planning • more centralised and less region-specific climate risk management
Option 2.4 – 9(2)(f)(iv) identify priority locations 9(2)(f)(iv) [Redacted text]	• Utilises a single regional level requirement, in order to maximise process and decision-making efficiencies across the system • Encourages coordination across local government • A regional-scale method provides the best balance of cost-effectiveness, resourcing constraints, local knowledge, and mitigation of localised development pressures. • Can draw on existing knowledge and relationships as per Option 2.2	• System is yet to be established so if spatial planning legislation is delayed or key attributes of spatial plans are changed through the legislative process (e.g. timing, scope, role, decision-makers) then this will impact the prioritisation of APs • Decision-making structures potentially not as flexible or focussed compared to a bespoke arrangement specifically designed for identifying priority locations • Funding issues likely to remain
Option 2.5 – CDEM Groups identify priority locations that require an AP	• CDEM Groups have existing formal emergency management functions and members sit across local authorities, providing access to	• CDEM Groups already have distinct roles and responsibilities (primarily emergency management) which might compete with

Option Description	Benefits	Costs and risks
CDEM Groups ⁶⁹ are local government actors with responsibilities for emergency management. These groups could identify and prioritise locations where an AP must be developed.	information and organisational structures that could be utilised for making informed prioritisation decisions	adaptation functions and are likely to increase through ongoing reforms

Engagement summary for responsibility for prioritisation options

85. Key themes from targeted engagement as follows:

- a. Support 'joined up' approach between regional and territorial authorities and clarification of roles to identify areas that require an AP

86. Support for regional councils to be involved in determining priority locations as this builds on their existing functions, data and expertise.

87. Stakeholders opposed Option 2.5 on CDEM Groups citing the narrow focus of CDEMA as it relates to adaptation, and concerns about the ability of CDEM Groups to undertake this function.

88. There was agreement that roles and responsibilities in this area are unclear, and stakeholders welcomed clarity in this space.

89. Proposed Spatial Planning committees will provide for a joined-up approach. We have not been able to test this specific option with stakeholders, but it supports the need to maximise process and decision-making efficiencies across the system and reduce duplicated effort across local government.^{9(2)(f)(iv)}

Responsibility for prioritisation options comparison to status quo

	Option 2.1 – Status Quo	Option 2.2 – Regional councils/Unitary Authorities	Option 2.3 - Central government	Option 2.4 – Proposed Spatial Planning Committee (preferred)	Option 2.5 – CDEM groups
Support proactive risk management by decision-makers at all levels.	Private actors: Unsure about who carries out APs, by when, where and how it affects them (0)	Private actors: Engagement pathway with local decision-maker is clearer. Councils have a better understanding of local and private needs.	Private actors: Central Government is further removed from private actors, who may find it harder to	Private actors: May have opportunities to participate if included in committee, though not guaranteed (+)	Private actors: have some engagement opportunities. CDEM Groups. CDEM Groups can engage with

⁶⁹ CDEM Groups are prescribed in the CDEMA and must include mayors and chairs from each region and are supported by a co-ordinating executive group tasked with supplying advice to the Group. This provides for representation of the relevant regional council as well as each of the territorial authorities in the region.

	Local Government: Prioritisation depends on local pressures, not risk. They are not prohibited from creating APs in high-risk locations, but competing priorities, complexity, unclear process discourages this (0) Central government: System stewardship means they can assist councils with funding or guidance, but there is no intervention or monitoring process (0)	Private actors will not be afforded as much freedom as before (+) Local Government: Regional Councils and Unitary Authorities hold risk information and functions. Supports subsidiarity approach to adaptation planning (0) Central government: Reaffirms that central government does not have a direct role in managing local risks, lower costs, less ability to intervene (+)	participate in the process and have their needs met (-) Local Government: Responsibility is clarified, and shifted away from local government, though they often implement national policies. They would have less autonomy to manage climate driven natural hazard risks (+) Central government: Can wield greater control over the system including national coordination or related improvements e.g. data, however higher costs, less efficient centralised process (+)	Local government: Responsibilities are clarified. Responsibility and costs shared by representatives. Representation on group ensures local knowledge shared (++) Central government: Reaffirms that central government does not have a primary role in managing local risks, lower costs, some ability to participate where appointed by the Minister (+)	private actors e.g. service providers (+) Local government: Clarity on roles and responsibility for identification, responsibility and costs shared by representatives. Representation on group ensures local knowledge shared (++) Central government: Reaffirms that central government does not have a direct role in managing local risks, lower costs, less ability to intervene (+)
Be practical , so that it can feasibly be implemented	No explicit adaptation planning requirements. Competing priorities mean adaptation planning continues to be ad hoc. Councils are free to choose their own approach, no additional regulatory burden. Variable results due	Baseline costs for regional councils/unitary authorities likely increase Quicker to adopt processes and decide on locations, risks and interventions; most likely have existing systems and processes for planning and data gathering	Decision maker is further removed from subject, higher costs due to inefficiency of centralisation, difficult to ensure compliance Councils may be more likely to develop plans where prioritisation decisions are locally made	Will use a new function and remove duplication of effort, but dependant on this other function set up (+)	CDEM Groups already existing function, however, scope would need to be extended CDEM Groups might need additional resourcing to expand their role to adaptation planning (-)

	to optional level of commitment (0)	functions but same capability as status quo (+)	(--)		
Be fair/politically durable , to avoid costs, delays and uncertainty due to policy change	Inequalities exist, private actors or recent events can influence decision making, reactive not proactive There is public pressure to change but unclear how and where to start, and by who (0)	Priority given to local needs, more likely to follow/endorse plans where prioritisation decisions are locally made and supported However, local government already face financial pressure and this would contribute (+)	Well-resourced so less variation by region as not tied to rates Priorities can vary between successive governments, and not a long-term solution as they don't have local knowledge. Potentially sets an expectation of Central Government paying for local costs (++)	System reflects local needs and likely to be supported. Still questions of ongoing financial pressures for local government (+)	Priority given to local needs, more likely to follow/endorse plans where prioritisation decisions are locally made and supported However, they already face financial pressure and this would contribute (+)
Overall assessment	0	5+	1+	6+	4+

Option set 3: Māori participation in Adaptation Plans

Māori participation in APs options

Option Description	Benefits	Costs and risks
Option 3.1 Status Quo The extent of Māori involvement would be determined according to the provisions of the LGA. The LGA sets out principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. This includes local authorities needing to provide opportunities for Māori to contribute to its decision-making processes (s14(1)(d)), establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority (s81) and having in place processes for consulting with Māori (s82(2)).	• No further regulatory intervention • Māori may be able to play a central role in planning but is subject to local authority practice	• Does not guarantee a level of participation commensurate to the interest Māori have in adaptation planning • Status quo of lack of role clarity in adaptation planning will remain • Existing vulnerability to natural hazards likely to become greater

Option Description	Benefits	Costs and risks
We understand that experience to date is that practice varies considerably among local authorities. As such, it is likely that Māori involvement in identifying locations where an AP will be required and developing APs would vary also.		
Option 3.2 Enhanced Engagement 9(2)(f)(iv) through proposed spatial planning committees. Also includes consideration of the needs of Māori communities in regulations for adaptation plan development, 9(2)(f)(iv) This option would be implemented through a combination of primary legislation, national direction and regulations and include processes to uphold impacted Treaty settlements.	• Clear national direction and regulation supports consistency in approach across local authorities • 9(2)(f)(iv) mechanisms to create more clarity on expectations for engagement • 9(2)(f)(iv) Ensures Māori are involved in the prioritisation and adaptation plan development process	• May not guarantee a level of participation commensurate to the expectation of Māori. • 9(2)(f)(iv) Lack of specificity as to what consideration of the needs of Māori communities in regulations entails • 9(2)(f)(iv) •
Option 3.3 Decision-making role A set role for Māori in decision-making groups for identification of priority areas and development of APs. Specific provisions, including legal effect, for Māori led planning over certain land and cultural assets. This would require legislative amendment and so is being assessed as part of this analysis.	• Māori would have a strong role in how AP decisions are made • Aligns with advice from Māori engagement and IRG/FEC reports.	• Would require new statutory mechanisms, including roles for Māori representative entities and weighting for documents. • Capacity and capability constraints may limit effective participation (e.g. potentially adds costs (time and money) particularly where local authorities have multiple Māori entities to work with and complexity around prioritisation) • Specific planning for land and assets may create less cohesive plan for an area •

Engagement summary for Māori involvement options

90. Key themes from targeted engagement as follows:

- a. the need to uphold the Treaty/te Tiriti

- b. the importance of Māori involvement in identifying and undertaking the development of the AP. This is even more important if the AP affects whenua Māori
- c. engagement with Māori representatives suggested Māori representation in decision-making, potentially achieved through a Māori Adaptation Entity
- d. funding and capacity constraints are hindering effective participation and involvement.

91. We heard through engagement that Māori involvement in council processes and adaptation planning needed to be strengthened. Option 3.3 most accords with what we heard through engagement with Māori representatives, however, there are significant differences in capacity for Māori groups to participate to this extent. Option 3.2 strengthens Māori involvement and leaves open opportunities for local authorities to work with Māori groups to go beyond regulations where appropriate.

Māori involvement options comparison to status quo

	Option 3.1 – Status Quo	Option 3.2 – Enhanced Engagement (preferred)	Option 3.3 – Decision-making role
Support proactive risk management by decision-makers at all levels.	Private Actors: variable inclusion of Māori in APs, dependant on existing relationships 0 Local government: lack of clarity of extent of Māori involvement, including complexities related to planning for Māori land 0 Central Government: lack of clarity on whether adaptation planning is providing appropriate role for Māori 0	Private Actors: clarity in when/how Māori can be involved in processes (+) Local government: as for private actors, supports best practice (+) Central Government: clarity on how adaptation planning is providing for the role for Māori in the context of the Crown's obligations under the Treaty of Waitangi (+)	Private Actors: clarity in when/how Māori can be involved in processes, easier to be involved and contribute to planning, capacity constraints may limit effectiveness (+) Local government: Māori participation improves planning for Māori interests, will need new processes for determining how decisions are reached (+) Central Government: clarity on how adaptation planning is providing for the role for Māori in the context of the Crown's obligations under the Treaty of Waitangi (+)

Be practical , so that it can feasibly be implemented	Current participation is variable, mechanisms for participation criticised as insufficient 0	Requires regulatory change, but works to clarify and enhance existing provisions Improves consistency of engagement and involvement by Māori Regulations can also model how specific interest groups may be engaged with e.g. rural communities (++)	New process requirement Improves Māori participation opportunities and decision-making influence May create additional burdens, with no support for capacity constraints, and requirements for involvement may be too prescriptive (0)
Be fair/politically durable , uncertainty due to policy change	Completely variable, currently no durability as not set processes. Where low involvement, Māori participation not adequate 0	Provisions support regulatory durability, requires arrangements that improve Māori participation without significant regulatory change (+)	Legislation required that may be subject to political change, however, it is harder to amend (+)
Overall assessment	0	6+	4+

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

92. Our preferred options, of the three sets are:
- a. Set 1 – Option 1.2 - Regulatory intervention
93. Set 2 - Option 2.4, Proposed Spatial Planning committees will determine priority locations
- b. Set 3 – Option 3.2, an enhanced engagement requirement for Māori involvement in APs.
94. Regulation elevates the priority of adaptation planning and process for Councils. Amendments to primary legislation will clarify roles and responsibilities, and to some degree, the prioritisation process and how existing plans will be incorporated in the new regime. Further benefits from reducing confusion and complexity will come through the regulations.
95. Plans themselves will rely on existing mechanisms under the RMA to implement them. For example, councils already develop infrastructure plans for investment and some proposed actions in APs are likely already included in other planning documents.
96. Together, having a process and the APs themselves will signal to markets and private actors how risks are being managed locally, unlocking the private sector's risk responses.
97. Where a plan is developed 'outside' of the regulations, it could be deemed an AP if it meets the requirements outlined in regulations. If not, it would not have the same legal effect.
98. Utilising the proposed Spatial Planning committees maximises process, decision-making and cost efficiencies across the system and reduces duplication of effort for similar functions in local government. ^{9(2)(f)(iv)}
99. Regulations specifying Māori involvement will provide clarity for all parties and respond to a strong recommendation from reports and engagement.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups: LG, including territorial auth., unitary, regional	The main costs relate to implementing APs. We cannot be certain of the full costs until regulations are finalised. Costs for AP activities range from⁷⁰: - Identifying priority locations (\$200k - 300k) - Developing plans (\$150k - 4.2m) - Engagement campaigns (\$487k – 600k) - Communications (\$15k - 20k) We estimate a range for the total cost of APs based upon these activities. Not all authorities will need to undertake the process as this depends on prioritisation. Further, there may be outliers as processes for existing APs have often gone beyond the minimum requirements that are likely to be in regulations – such as South Dunedin. Across the 78 authorities, the cost for each activity is likely increased from the lower limit of the range above. Some councils may need to improve their planning to meet the new standard. Of these 78, we can expect costs for 32 Councils to substantially increase if their jurisdiction is deemed a priority location (as there is no evidence of planning). Additionally, 68 councils may experience a moderate increase in costs, as they already undertake adaptation planning in some form.	<i>Medium</i> Range of total AP costs per Council: \$852k - 5.12m Up to 32 Councils may increase costs from \$0 to \$852k or as much as \$2.986m as there is no evidence of APs Mid-range costs of AP per Council: \$2.986m Up to 68 councils may increase costs from \$852k to the mid-range of \$2.986m as there is some evidence of APs We do not anticipate costs to increase above the mid-range as this is likely above the standard Lowest likely cost of requiring APs (communications costs): \$15k per Council \$1.17m total for 78 Councils	<i>Low</i> Depends on regulations being finalised, particularly the prioritisation requirement and relationship with the scale and nature of local climate risks, resourcing of individual councils and coordination/CG support required The highest costs are likely to be related to obtaining hazard data, risk assessment and engagement, as Councils seek to understand the new requirements and community expectations

⁷⁰ MfE sourced data

	New requirements might shift public expectations. Councils may re-scope existing plans, collect data, and engage on climate risk in line with expectations. Councils already undertake infrastructure planning and it is likely some adaptation activities are included in infrastructure funding decisions, however there are significant concerns on the impacts to local government if no additional funding is made available by central government.	All councils are likely to need to communicate to their constituents what the regulations mean for them	
Regulators: Central Government, Minister for Climate Change	The proposals have low additional costs for CG mainly relating to regulation development. Central Government currently develops guidance on AP, such as DAPP methods. There is a risk of reputational damage to the Ministry if the requirements are not seen as fit-for-purpose including for Māori. The proposed option is intentionally broad in primary legislation to mitigate this. To be most successful, central government might need to fund some adaptation actions for Councils (Pillar 3 NAF).	<i>Low</i> Potential reputational damage due if process not suitable for some groups (e.g. Māori)	<i>Medium – High</i> We are confident in estimated costs to the Ministry as these are well defined – MfE will not be implementing APs
Others: Iwi/Māori	There is a risk that this proposal will not result in improved outcomes for Māori. The proposal is designed to have broad benefits to all local groups. To support the proposal for Māori involvement, additional funding may be required.	<i>Medium</i> There is good evidence of disproportionate impact on Māori but hard to quantify	<i>High</i> Engagement participants specifically asked for improved Māori adaptation planning and resourcing
Others: Private individuals, groups, businesses eg banks, insurers, residents and homeowners both rural and urban.	Costs to this group are indirect. They are not regulated for participation, but likely to be consulted. There could be implications for ratepayers in areas of high risk, as local authorities will look for ways of funding the plan identification and development.	<i>Low</i>	<i>High</i>
Total monetised costs	<i>n/a</i>	Minimum \$15k per Council \$1.17m total for 78 Councils	<i>Low</i> most costs depend on regulations for prioritisation, forthcoming

Non-monetised costs	<i>n/a</i>	<i>Low to medium</i>	<i>Medium</i> We are more certain about costs to private individuals, Iwi/Māori and central government, than for local government
Additional benefits of the preferred option compared to taking no action			
Regulated groups: LG, including territorial auth., unitary, regional	Local government asked for the changes in this proposal. Having a set processing regulations means local authorities will not have to develop their own process or overcomplicate their planning. Evidence suggests that many adaptation actions have high returns on investment (ROI), and benefit–cost ratios in the range of 2:1 to 10:1.⁷¹ APs in priority locations should help decision-makers select investment decisions that achieve closer to these rates. For example, the Taradale stop bank upgrade cost \$4m, protected 10,000 properties with an estimated capital value of \$7.6bn during Cyclone Gabrielle. In another example, NIWA modelling in Westport estimated damage resulting from a 1:100-year flood event could exceed \$596m (\$405m to buildings and \$191m to roads and rail). If flood protection measures are put in place it is likely to reduce damages from such an event to an estimated \$109.1m for Westport Council (benefit of avoided costs). Actual benefits through avoided costs are likely to vary depending on region specific features e.g. geography, population, existing infrastructure. It is also dependant on the prioritisation process as that determines if APs happen.	<i>High</i> By developing APs local authorities will have a clear idea of where to invest and make optimal decisions for adaptation planning. Long-term, this will contribute to significantly lower costs, as New Zealand improves its local and national resilience to climate risks	<i>Medium</i> Benefits depend somewhat on Council resourcing and capability, and potentially central government support to come through Pillar 3 NAF (investments in risk reduction). These are subject to individual Councils and Government decisions to come. However, by simply having plans in place there should be clear flow on-benefits for LG, and their management of assets. It is likely that plans will be in place as LG wanted stronger requirements and guidance on them

⁷¹ NZIER report (2024), [Economic appraisal of flood risk mitigation programmes](#); Swiss Re study [Flood risk: protective measures up to ten times more cost-effective than rebuilding | Swiss Re](#).

Regulators: Central Government, Minister for Climate Change	Higher degree of resilience to climate change at a local level is likely to reduce long term costs to the Crown by improving conditions for it to manage its own assets in risky areas. Central Government currently experiences the fallout of risks not being accounted for locally (e.g. by contributing to buy-outs). Improving planning to better incentivise individual's self-management of risks could result in avoided costs for Central Government as fewer buyouts occur over time.	<i>Medium</i> Many factors may influence the risks and responses to climate change, and the consequential costs to central government	<i>Low</i> Cannot determine flow on benefits for central government easily; likely depends on other NAF changes to be effective
Others: Iwi/Māori	Regulated requirements around the role of Māori in identification or priority locations and AP development increases their involvement.	<i>High</i> This is an improvement from the status quo, providing opportunity for greater involvement.	<i>Medium</i> This will depend on what is included in the regulations.
Others: Private individuals, groups, businesses	This group will be better informed about local risk, with a clearer pathway to be involved in the planning process. For utility providers, plans allow service providers to anticipate, forecast and manage their own responses with a greater degree of certainty. This allows for decisions to be made or triggered at the optimal time allowing assets to be used and managed efficiently. A more certain regulatory environment provided by APs can support resilience building investments and decision making by private actors and markets, reducing long-term costs.	<i>Medium</i> Much of the detail depends on the design of the processes in regulations. However, where APs occur, these benefits will apply	<i>Low</i> Implementation, funding factors, impact of disaster events, and future political decisions may not provide sufficient longevity to plans to more fully support market certainty. Plans can account for this
Total monetised benefits	it is not possible to provide an estimate – at least until regulations are developed	<i>Unknown</i>	<i>Unknown</i>
Non-monetised benefits	<i>High</i> Initial costs might be higher than status quo, but long-term benefits of APs for Councils are likely, if not yet quantifiable. The development of APs fills a key information gap in the system. Improved certainty of future risks and risk mitigation has a direct benefit for planning by affected stakeholders, and also supports market efficiency (property, financial and insurance) through better and more transparent information.	<i>High</i>	<i>Medium</i> Dependent on regulations design. We can be sure that certainty for the system will benefit the market and communities

Section 3: Delivering an option

What might happen on the ground once the legislation in this proposal is enacted?

100. The proposals set up the legislative parameters for the:
- a. **Regulation-making powers on the processes** for preparing adaptation plans and the content of adaptation plans.
101. **Responsibility for identifying priority locations** where local authorities will be required to create APs if these are identified through spatial planning.
- a. **Requirement for Territorial Authorities to prepare an Adaptation Plan** in accordance with the regulations in priority locations.
102. The focus of this section is on the implementation implications of the above, in relation to central government, local authorities, iwi/Māori, service providers and communities; and in relation to other reform programmes being rolled out by central government.
103. Further changes to legislation to support AP implementation are subject to detailed decisions by the Minister for Climate Change and Ministers responsible for any related legislation. These further decisions will enable efficiencies in consultation processes across local government plans and support efficiencies for local authorities and service providers to take decisions relating to withdrawal of services where that is consistent with decisions taken in an AP.⁷² Analysis of these particular changes will be provided alongside detailed decisions on legislative changes.

Timing of Implementation

104. The timing of the implementation of the spatial planning aspect of this proposal – that is to say the identification of priority locations as part of spatial planning – will be driven by the development and implementation of the Planning Act.
105. As at the finalisation of this regulatory impact analysis, the timeframes for implementation are currently expected to be as follows:
106. 9(2)(f)(iv) [REDACTED]
107. 9(2)(f)(iv) [REDACTED]
108. 9(2)(f)(iv) [REDACTED]
109. The implementation consequences of the regulations will be more fully explored when the detail of the regulations are finalised. Those regulations will have their own regulatory impact analysis.
110. We expect regulations to set the process to guide how options will be evaluated and activities that may be prioritised. We will continue working across government, with local government, service providers and other agencies to develop the regulations.

⁷² The LGA already contains provisions for processes to withdraw services, the intent of these proposals would be to consider making these processes more efficient and provide clarity for all service providers.

Implementation Implications for Territorial Authorities being responsible for preparing Adaptation Plans

Who is affected?	What implementation implications will there be from Territorial Authority responsibility for preparing an Adaptation Plan?
Central Govt	Central government data and information may be used in the risk assessment and options analysis process.
Regional Councils	Regional councils are likely to take a supporting or partnership role through the Adaptation Plan development, supporting risk assessment processes, hazard data and options analysis, particularly where regional infrastructure is implicated. Regional councils will need to have new resources and have capacity for these projects.
Territorial Authorities	The proposal represents a new requirement for Territorial Authority – only where they have a priority location identified. A prioritised approach is intended to reduce the impact of these proposals. Councils will need to prepare processes and fund the development and implementation of the plans – including consultation and regular communication of the plan and any updates or reviews. There remain limitations for some local authorities to be able to effectively develop their adaptation plans; particularly smaller councils faced with large and complex climate risks, and low income or low public support for adaptation. Resourcing the implementation of the actions contained within a plan are a substantive barrier to the effectiveness of these TA led plans.
Iwi/Māori	As noted above, Iwi/Māori are anticipated to be involved in the development of local authority adaptation plans for their rōhe, this may involve preparing for the contribution of staff time, and consideration of governance arrangements with the relevant council.
Service & infrastructure providers (including Crown agencies)	Crown agencies and other infrastructure providers and service providers are likely to be involved in the development of the Adaptation plans and respond where those plans implicate their own programmes/network plans.
Communities/homeowners	Communities and people are anticipated to be consulted early and often with adaptation plans.

Establishing Regulation Making powers

111. The implementation implications of making regulations predominantly include additional responsibilities on central government to develop, test and issue new regulations. These processes take time and resources for the agency responsible and time of Cabinet. Stakeholder consultation is likely to be required, with particular interest likely from local authorities and iwi entities.

Alignment with other reforms

112. There are a variety of changes and reforms currently underway that are likely to affect implementation of APs. These reforms are subject to change. The below reflects our

understanding of where those reforms are currently at and how this proposed policy will align with them.

Local Government reform (LGA) – DIA	A key aim of APs is to save money over the long term. Current LGA reforms are focussed on ensuring immediate affordability. There is some tension between these proposals for this reason.
NHND (RMA) – MfE	Supports councils in the development of APs, particularly during the risk screening and risk assessment components of APs; and implementing outcomes via land use and subdivision controls via ^{9(2)(f)(iv)}
Emergency Management reform (CDEMA) - NEMA.	Has ‘all of society’ scope but in-practice targets response and recovery actions. The changes to the Emergency Management system are expected to align and support AP proposals through strengthening Group Plans and clarifying roles for local government. Group plans are anticipated to become an implementing tool for APs, particularly where risks cannot be managed through infrastructure or planning controls, and emergency readiness and responses are the only tools available. Additionally, post-disaster, Recovery Plans are anticipated to help deliver AP outcomes.
Resource Management Reform Phase 2,3 (RMA); [Planning Act and Natural Environment Act] – MfE	The suite of RM reforms will play a critical role in supporting the implementation of APs, by establishing the regulatory mechanisms to manage land uses and subdivision in a way that is consistent with longer-term risk management goals set out in the APs. Most notably, the proposal for APs to use the proposed Spatial planning committees for identifying priority locations is to be established under the Planning Act. We will continue to work with these reforms to ensure alignment and efficiencies for local government and other actors in this space; and to ensure provision for engagement and the ability to

	consider cultural values and the vulnerability of Māori communities. We will ensure that this change receives appropriate regulatory impact analysis at this point.
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How will the proposal be monitored, evaluated, and reviewed?

New monitoring mechanisms

113. The proposal includes requirements for territorial authorities to notify the Minister of Climate Change when an AP has been adopted. This notification will allow the Minister to track if, and to what extent, adaptation planning is occurring across the country.
114. The proposed statutory intervention power is for the MCC to waive timeframe requirements when they are not likely to be met. There are no other system monitoring and enforcement provisions proposed.
115. APs are to be reviewed every 10 years, or sooner if there is a significant event. Regulations will enable the MCC to prescribe the requirements for local government to review, monitor and report on APs.
116. Councils will continue to be obliged to follow due process and risks of judicial review apply where there is a departure from processes set out in the legislation (including regulations). Current ‘soft’ monitoring and enforcement options remain active, such as the reputational risk to Councils of not following laws, with their local constituents holding them accountable.

Existing monitoring mechanisms

117. At a minimum, monitoring and review of the implementation of plans under existing legislation will apply to APs, as they are intended to be implemented through other local government documents. For example, APs may be reflected in LGA Long Term Plans.
118. We anticipate that:
 - a. The regulations may include specific monitoring and reporting requirements to keep communities informed; and

119. 9(2)(f)(iv)