



# Climate change and business

## What the national adaptation plan means for you

### Adapt and thrive: Building a climate-resilient New Zealand

**Our first national adaptation plan will help New Zealanders adapt to the effects of climate change now, and better protect us against changes to come.**

Many impacts are already with us, with unstable and unpredictable weather, worsening floods, droughts and storms, and rising sea levels. We can expect more changes will happen. Lowering emissions can reduce the impacts of climate change but won't eliminate them all.

The national adaptation plan sets out what actions the Government will take over the next six years to help all New Zealanders adapt and thrive in a changing climate.

It has actions relevant to every sector and community in New Zealand, and addresses the priority risks that need action now.

Climate change risks and the costs of adapting will need to be shared across society, but through the actions in the plan we can reduce the long-term costs across the motu.

#### Managing risk now and for the future

In 2020, the National Climate Change Risk Assessment set out 43 risks New Zealanders face from the impacts of climate change up to 2026.

These include risks to people's health and property, risks to our infrastructure like roads or water supplies, and risks to our natural environment.

This national adaptation plan is the first in a series. It will be updated every six years to respond to changing climate risks.

# Impacts of climate change on business

Everyone is affected by climate change. But some industries and businesses are more exposed than others. This makes them more at risk from extreme climate events or changing weather patterns.

For example, climate change can create supply-chain disruptions, which cause productivity losses and reputational damage.

Land-based primary industries (such as agriculture and horticulture) rely heavily on resources such as arable land and water. Climate change affects both the availability of these resources and farm productivity. Gradual changes in temperature and rainfall patterns may also mean some crops can no longer be grown in certain areas.

The fisheries and aquaculture sectors are likely to be exposed to economic risk. Climate-related warming and ocean acidification will affect fish stocks. Tourism is also sensitive to climate change, which poses a risk to attractions and activities like glaciers and ski fields.

All sectors will have to adopt new techniques and, in some cases, change activities. Other sectors will also need to adopt new practices. For example, the construction industry will need to consider the resilience of buildings and infrastructure.

Many regional economies rely heavily on at-risk industries, and some areas will also be vulnerable to the physical impacts of climate change (eg, low-lying land). If they don't adapt, it could lead to business closures and job losses.

The Māori economy is heavily invested in land-based primary industries, fisheries and tourism. These sectors also employ a significant Māori workforce. Economic inequity means some Māori businesses and workers will find it harder to adapt.

Meanwhile, climate change may also create economic opportunities. Investing in climate resilience can reduce risks for some businesses and open up new technologies and markets.

## What you told us during consultation on the draft adaptation plan

- Business and industry body submitters noted the importance of infrastructure and business in adapting to climate change.
- The availability of data was a big focus for industry. Submitters suggested the plan could facilitate better and more urgent access to climate data.
- Industry was mostly comfortable sharing the costs of adaptation with local and central government. Some submitters in this group suggested costs and funding are considered on a case-by-case basis.

# How actions in the plan will help businesses adapt to climate change

The plan outlines a programme of work to support and encourage businesses to adapt. It brings together existing actions and proposed future work.

## Enabling better risk-informed decisions

The actions in the plan provide information, guidance and tools about climate change threats and responses. Businesses and industries can use these to understand and assess the risks they face and decide how to adapt. Some of the key actions include:

- Action 3.2 Design and develop risk and resilience and climate adaptation information portals: The portals will provide information and data about natural hazards and climate change risks. They will help businesses to make informed decisions and design adaptation solutions.
- Action 3.5 Support high-quality implementation of climate-related disclosures and explore expansion: the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 requires about 200 of New Zealand's largest financial market participants to analyse and publicly disclose annually their climate-related risks and opportunities. This helps ensure the effects of climate change are routinely considered in decisions for business, investment, lending and insurance.
- Action 3.8 Develop guidance for assessing risk and impact on physical assets and the services they provide: this will help owners of infrastructure assets to understand and manage the impacts of climate change on existing and new infrastructure.
- Action 3.7.4 Produce guidance on using different socio-economic scenarios for adaptation planning: this will assist businesses when they're assessing climate risks and planning how to manage them. Adaptation is complex and can be expensive, so it's important to consider how decisions will affect different customers, ratepayers and stakeholders.
- Action 3.14 Deliver the Integrated Farm Planning Programme: this will make it easier for farmers and growers to meet all their regulatory and business requirements. It brings together many broader work programmes, including a biodiversity planning module, upskilling for primary industry advisors and planning for adverse events and resilience.

## Adaptation options including managed retreat

Many communities are already under threat from natural hazards. Successfully adapting will be vital as climate impacts worsen. Some people and communities may have to alter how and where they live.

One option is managed retreat, which may be necessary to reduce or eliminate exposure to intolerable risk. It's a carefully planned and managed process of relocating assets, activities and sites of cultural significance away from at-risk areas.

The plan will support businesses, councils, communities and people to understand the range of adaptation options available. Key actions include:

- Action 5.6 Scope a resilience standard or code for infrastructure: this will assess the impact (including costs, benefits and regulations) of introducing a standard or code for resilient infrastructure.
- Action 5.7 Reduce and manage the impacts of climate hazards on homes and buildings: this will help building owners to understand and assess their adaptation options. This action includes collating existing information to help adapt now; researching the impacts of climate hazards on different typologies; producing property-level guidance; developing an assessment framework; and investigating incentives. This action is also necessary to inform further work such as regulatory changes.

- Action 5.14 Support the development of definitional tools to encourage greater investment in ‘green’ projects: this would help guide businesses that are investing in adaptation and mitigation efforts, and protect against ‘greenwashing’.

## **Embedding climate resilience across government**

The Government will embed climate resilience across all its strategies and policies. The following chapters in the plan have actions relevant to businesses:

**The natural environment chapter** sets out how the plan will support the natural environment. A thriving natural environment is intrinsic to New Zealand’s lifestyle, industry, wellbeing and cultural identity. A key action for business is:

- Action 6.6 Implement the Water Availability and Security programme: this will help food and fibre businesses and rural communities adapt to increasingly variable freshwater supplies. Taking its lead from the National Policy Statement for Freshwater Management, the programme will help restore and maintain the health of fresh waterways. It will also support ways to reduce demand and make the best use of available water supplies.

**The economy and financial system chapter** focuses on how we will adapt and build resilience to the economic and financial impacts of a changing climate. Some actions will also help identify new economic opportunities. This is part of Aotearoa New Zealand’s wider transition to a high-wage, low-emissions economy that provides economic security in good times and bad. Actions include:

- Action 10.1 Deliver the National Freight and Supply Chain strategy: this will present a long-term and system-wide view of the freight system. Climate adaptation is being considered through the resilience objective, to ensure Aotearoa New Zealand’s freight and supply chain system is resilient, reliable and prepared for potential disruption.
- Action 10.2 Strengthen fisheries rules is a programme where the Government is progressing work on the Fisheries Amendment Bill, which includes several legislative changes to the Fisheries Act 1996. The aim is to strengthen and modernise Aotearoa New Zealand’s fisheries management system.
- Action 10.3 Deliver the Aquaculture Strategy: this will support New Zealand becoming world-leading in sustainable and innovative aquaculture. One of the strategy’s objectives is to support the industry to adapt to climate change.
- Action 10.7 Continue delivering the Sustainable Food and Fibre Futures Fund: this supports innovation in Aotearoa New Zealand’s food and fibre sector by co-investing in initiatives that bring economic, environmental and social benefits for all New Zealanders. Sustainable Food and Fibre Futures projects include applied research which delivers tangible solutions for the primary industries.
- Action 10.9 Identify the impacts of climate change on regional economies: this involves modelling the economic impacts of climate change on regional economies and providing guidance for assessing climate impacts in local economic decisions.
- Action 10.14 Deliver the Tourism Industry Transformation Plan aims to support regenerative tourism. The first phase focuses on ‘better work’ and the second phase on the environment.

### **Future engagement during implementation**

As the plan is implemented, more targeted engagement with different stakeholders, including the business sector, will take place.

Inclusive engagement, particularly with those disproportionately affected by climate change, will help to ensure actions lead to equitable climate resilience.

We are taking the same approach with the implementation of the emissions reduction plan, and encouraging engaged and active public participation in the plan.

## **Find out more**

Read [Aotearoa New Zealand's first national adaptation plan](#)

