

IN CONFIDENCE

In Confidence

Office of the Minister of Climate Change

Cabinet Economic Development Committee

Managed retreat: approval to consult on options

Proposal

- 1 I seek your agreement to public consultation material and questions on a high-level framework for a managed retreat system, to be consulted on alongside the draft National Adaptation Plan.
- 2 This consultation will inform the detailed policy development for legislation to support managed retreat (currently being referred to as the Climate Adaptation Act) that will be carried out over the rest of 2022.

Relation to government priorities

- 3 The Government declared a climate change emergency on 2 December 2020, the Cabinet Business Committee agreeing that climate change “demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge” [CBC-20-MIN-0097 refers].
- 4 Reforming the resource management system by giving effect to the Treaty of Waitangi and enabling a just transition to a climate-resilient New Zealand are Government priorities.
- 5 Progressing the Climate Adaptation Act, along with the Natural and Built Environments Act (NBA) and Strategic Planning Act (SPA), within this term of government was stated as an aim in the Labour Party 2020 manifesto and was agreed to by Cabinet in December 2020 [CAB-20-MIN-0522 refers].
- 6 Cabinet Business Committee (with Power to Act) has also “noted the intention to put the climate at the centre of government decision-making” [CBC-20-MIN-0097 refers].

Executive Summary

- 7 I seek agreement to public consultation material and questions on a high-level framework for a managed retreat system (Appendix 1) to be consulted on alongside the draft National Adaptation Plan.
- 8 The National Adaptation Plan must set out the Government’s objectives for adapting to the effects of climate change and its strategies, policies and proposals to meet those objectives.
- 9 Consultation on the draft National Adaptation Plan must begin by mid-April to meet the statutory deadline for publishing the National Adaptation Plan by 3 August 2022.

Cabinet has agreed that consultation on managed retreat would proceed as part of the draft National Adaptation Plan consultation [CAB-21-MIN-0225.01 refers]

- 10 Conducting managed retreat consultation alongside the draft National Adaptation Plan provides a critical first opportunity to seek feedback on the core parts of a high-level framework, to inform detailed policy design. It also places the issue of managed retreat within the context of wider adaptation policy. The consultation materials are intentionally broad, to avoid presupposing a preferred set of policy responses or a particular role for government at this early stage.
- 11 The government has made significant financial contributions to support managed retreat and/or clean-up after major disasters. In the absence of a managed retreat framework, there is a significant risk that, as climate change and population growth exacerbate our exposure to hazards, the expectations of central government bailouts will continue to increase.
- 12 I propose to release a package of consultation material. This will contain the draft National Adaptation Plan and a separate document (Appendix 1 to this paper) seeking feedback on a high-level framework for managed retreat and issues relating to residential home insurance for flood risk. This will inform development and design of the Climate Adaptation Act which is one of the key actions included within the National Adaptation Plan.
- 13 The consultation material includes context around why we need a managed retreat system and related legislation. It describes how decisions to retreat will, in most cases, be made through the planning processes being developed through the Natural and Built Environments Act and the Strategic Planning Act.
- 14 It seeks feedback on three core aspects of a managed retreat system.
 - 14.1 It asks whether people agree with a number of proposed objectives and principles for managed retreat.
 - 14.2 It asks if people agree with a proposed process for managed retreat.
 - 14.3 It seeks views on the potential roles and responsibilities of different actors (including individuals) within a managed retreat system.
- 15 It also poses a number of open questions about related issues (property transfer, Māori rights and interests, insurance retreat and cost sharing arrangements) to inform future policy development.
- 16 This consultation is to inform the initial stages of policy development. It is not a consultation on preferred policy options or the detailed policies that will be part of final legislation.
- 17 Subject to Budget 2022 decisions, I propose to proceed with detailed policy development for managed retreat legislation over the second half of 2022, with final decisions being taken in early 2023.
- 18 I propose that the Climate Response Ministers Group be used to provide direction on policy development for the Climate Adaptation Act.

Background

New Zealand is highly exposed to risks from natural hazards and climate change

- 19 New Zealand has a significant exposure to natural hazard impacts, most of which will be exacerbated by climate change. These impacts arise from several sources including flood, earthquake, tsunami, volcanic activity, wildfire, drought and inundation. The impacts from natural hazards are not limited to physical impacts but include social and cultural impacts.
- 20 The impacts are felt by those living on the coast and inland, in rural areas and major urban centres. They affect everybody, in particular groups already at risk of inequitable outcomes (for example, Māori (including tāngata whaikaha (disabled Māori), Pacific peoples, ethnic communities and minorities, older people, disabled people, low-income groups, rural communities, women, children and youth).
- 21 Hazard impacts also affect a wide range of sectors including the primary, commercial and infrastructure sectors.
- 22 The costs to New Zealand of future natural hazard events will increase over time as the effects of climate change and population growth increase the amount of property and infrastructure (and its associated value) exposed.
- 23 In particular, sea level rise and changing patterns of rainfall are expected to present significant challenges for our major urban centres, most of our population, taonga and sites of cultural importance.
- 24 Repetitive drought, extreme heat, loss of water security and wildfire are also likely to become more frequent as the climate changes.¹
- 25 Almost 700,000 people and 411,516 buildings worth \$135 billion are presently exposed to river flooding in the event of extreme rainfall, which is anticipated to become more frequent as a result of climate change.² The insured damage in New Zealand from more intense extreme rainfall is projected to increase by up to 25 per cent by 2080–2100.³
- 26 72,000 New Zealanders are currently exposed to present-day extreme coastal flooding, along with about 50,000 buildings worth \$12.5 billion. By the end of the century, depending on the extent to which global greenhouse gas emissions are reduced, sea level rise of between 0.5 to 1.1 m could mean an additional 116,000 people would be exposed to extreme coastal storm flooding.⁴ The value of exposed assets in New Zealand with 1.0 m of sea level rise will be NZ\$25.5 billion.⁵
- 27 Natural hazards also create risks. There will often be no single source of risk, and the particular response to risk will depend on the type of risk and on whom it falls. In many

¹ IPCC (2022): *Climate Change 2022: Impacts, Adaptation and Vulnerability* Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Chapter 11.

² Paulik, R., Craig, H., Collins D. (2019). *New Zealand Fluvial and Pluvial Flood Exposure*. Report for the National Science Challenge: The Deep South Challenge, NIWA.

³ IPCC (2022): Chapter 11.

⁴ Paulik et al. (2019). *Coastal Flooding Exposure Under Future Sea-level Rise for New Zealand*. Report for the National Science Challenge: The Deep South Challenge, NIWA

⁵ IPCC (2022) at 11.3.5.2.

cases individuals will respond themselves. In other situations, it may be necessary for government (either local or central) to intervene.

28

9(2)(f)(iv)

29

One response is managed retreat, which is an approach to reduce or eliminate exposure to intolerable risk, which enables people to strategically relocate assets, activities, and sites of cultural significance (to Māori and non-Māori) away from at-risk areas within a planned period of time.

The draft National Adaptation Plan provides an opportunity for public consultation on managed retreat

30

Discussion about managed retreat has been in the public domain for some years now.

30.1 The Parliamentary Commissioner for the Environment's report, 'Preparing New Zealand for rising seas' was published in 2015, seven years ago.⁶

30.2 The Climate Change Adaptation Technical Working Group published their report, 'Adapting to climate change in New Zealand', in 2018, four years ago.⁷

30.3 New Zealand's first National Climate Change Risk Assessment was published in 2020, two years ago.⁸

30.4 The report of the Resource Management Review Panel which recommended introduction of a Managed Retreat and Climate Change Adaptation Act, was published in 2020, two years ago.⁹

30.5 There has been extensive coverage in the media of the issues involved, particularly when extreme weather events occur, such as recently in Westport.

31

However, the issues involved, and the potential solutions, are still likely to be highly contested and controversial. These include questions on when it could be used, who decides, who pays, responsibilities and liabilities, and the effect on private property rights.

⁶ Parliamentary Commissioner for the Environment (2015). *Preparing New Zealand for rising seas: Certainty and Uncertainty*. (Wellington, Parliamentary Commissioner for the Environment).

⁷ Climate Change Adaptation Technical Working Group (CCATWG). (2018). *Adapting to a Climate Change in New Zealand: Recommendations from the Climate Change Adaptation Technical Working Group*. (Wellington: Climate Change Adaptation Technical Working Group).

⁸ Ministry for the Environment. 2020. *National Climate Change Risk Assessment for Aotearoa New Zealand: Main report – Arotakenga Tūraru mō te Huringa Āhuarangi o Āotearoa: Pūrongo whakatōpū*. Wellington: Ministry for the Environment

⁹ Resource Management Review Panel (2020) *New Directions for Resource Management in New Zealand: report of the Resource Management Review Panel*, Wellington: Ministry for the Environment

- 32 The draft National Adaptation Plan will be publicly consulted on in April 2022. The National Adaptation Plan must set out the Government's objectives for adapting to the effects of climate change and its strategies, policies and proposals to meet those objectives (s 5ZS of the Climate Change Response Act).
- 33 Managed retreat will be a long-term strategy and not the primary tool to address the immediate risks New Zealand faces, such as continued extreme weather events in places such as the West Coast and Tairāwhiti. A key action within the National Adaptation Plan that will help everyone now is strengthening the emergency management system for future events. This includes strengthening the emergency management workforce that respond at a national, regional and local level.
- 34 The recommendations of the Resource Management Review Panel for discrete legislation to address managed retreat, and the public statements already made by the Government, raise strong expectations that the draft National Adaptation Plan issued for consultation will be accompanied by material relating to managed retreat.
- 35 I propose to release a package of consultation material. This will contain the draft National Adaptation Plan and a separate document (Appendix 1 to this paper) seeking feedback on a high-level framework for managed retreat and issues relating to the interaction between insurance and retreat. A separate Cabinet paper is seeking approval to release the draft National Adaptation Plan for consultation.
- 36 The rationale for this approach is to progress policy consultation for managed retreat in a way that firmly locates it within the Government's overall approach to adaptation as outlined in the National Adaptation Plan. This consultation will inform development of the Climate Adaptation Act. The consultation materials are intentionally broad, to avoid presupposing a preferred set of policy responses or a particular role for the government at this early stage.
- 37 The government has made significant financial contributions to support managed retreat and/or clean-up after major disasters. In the absence of a managed retreat framework, there is a risk that, as climate change and population growth exacerbate our exposure to hazards, the expectations of central government bailouts will continue to increase. Establishing a framework can help central government better manage and share future costs appropriately.
- 38 The consultation alongside the draft National Adaptation Plan is a critical first opportunity to seek feedback on the broad high-level framework for managed retreat to inform detailed policy design of a managed retreat system. It will not be a consultation on detailed proposals that are ready for final policy decisions and drafting instructions.

Previous Cabinet decisions

- 39 Cabinet has:
- 39.1 agreed to progress the development of adaptation legislation using the Resource Management Review Panel's Report as a starting point for scoping and policy development [CBC-20-MIN-0121]

39.2 agreed that the Climate Adaptation Act will contain policy that provides for processes and mechanisms for managed retreat [CAB-21-MIN-0068]

39.3 agreed that the following policy areas will form the basis for the development of the Climate Adaptation Act ^{9(2)(f)(iv)} [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

39.4 agreed in principle to a list of potential primary objectives and principles for the Climate Adaptation Act [CAB-21-MIN-0068]

39.5 noted that the Natural and Built Environments Act and Strategic Planning Act will also play an important part in the range of adaptation responses [CAB-21-MIN-0068]

39.6 agreed that the Ministerial Oversight Group established to make decisions on resource management reform will make policy decisions required for the development of the Climate Adaptation Act [CAB-21-MIN-0068]

39.7 agreed that the Climate Adaptation Act would be decoupled from the wider resource management reforms and that consultation would proceed in February/March 2022 as part of the National Adaptation Plan consultation [CAB-21-MIN-0225.01].

40 In practice due to the decision to decouple the Climate Adaptation Act from the wider Resource Management reforms, the Ministerial Oversight Group process will come to an end before policy decisions for the Climate Adaptation Act are ready to be considered. I therefore propose that the Climate Response Ministers Group provide direction on policy development for the Climate Adaptation Act.

Analysis

41 This paper seeks your agreement to the consultation material and questions I propose to include alongside the draft National Adaptation Plan, attached at Appendix 1. This consultation material seeks public feedback on the core parts of a high-level framework for a managed retreat system:

- 41.1 Objectives and principles for managed retreat
- 41.2 Establishing a process for managed retreat
- 41.3 Roles and responsibilities.

- 42 This consultation material also provides context and describes why we need a managed retreat system and related legislation. It does not propose detailed policies to be included in legislation.
- 43 Consultation as part of a package including the draft National Adaptation Plan gives an opportunity to get public feedback on managed retreat to inform detailed policy development. Further public consultation on managed retreat will occur through the select committee process after legislation is introduced to the House.

Objectives and principles for managed retreat

- 44 Cabinet agreed in principle to five objectives and five principles for managed retreat [CAB-21-MIN-0068 refers]. Following further work by officials I propose minor revisions (red in the table below), which have been considered by the Climate Response Ministers Group.
- 45 The first two changes align with more commonly used terminology and underscore the expectation of communities taking an active responsibility. An additional principle has been added to focus on community wellbeing as an outcome

Managed retreat	
Objectives	<ul style="list-style-type: none"> To set clear roles, responsibilities and processes for managed retreat from areas of intolerable unacceptable risk To provide stronger tools for councils to modify or extinguish existing uses of land To provide clarity on tools and processes for acquiring land and related compensation To clarify local government liability for decision-making on managed retreat, and the role of the courts To provide clear criteria for when central government will intervene (or not) in a managed retreat process
Principles	<ul style="list-style-type: none"> Managed retreat processes are efficient, fair, open and transparent Communities are actively engaged in conversations about risk and in determining and implementing options for risk management Social and cultural connections to community and place are maintained as much as possible There is flexibility as to how managed retreat processes play out in different contexts Iwi/Māori are represented in governance and management and have direct input and influence in managed retreat processes, and outcomes for Iwi/Māori are supported Protection of the natural environment and the use of nature-based solutions are prioritised

- 46 Cabinet also agreed in principle to draft objectives for funding and financing:

Funding and financing

Objectives	<ul style="list-style-type: none"> • To reduce hardship due to the impacts of climate change • To incentivise better long-term investment decisions concerning climate change risk • To reduce liabilities, including contingent liabilities to the Crown, • To support the role of banking & insurance in facilitating risk management
Principles	<ul style="list-style-type: none"> • Limit Crown’s fiscal exposure • Minimise moral hazard • Solutions are designed to be as simple as possible • Ensure fairness and equity for and between communities, including across generations • Beneficiaries of risk mitigation should contribute to costs • Minimise cost over time by providing as much advance notice as possible • Financial costs of the transition are smoothed over time • Solutions support system coherence and the overall adaptation system response • Risks and responsibilities are appropriately shared across parties including property owners, local government, central government, and banking and insurance industries

Establishing a process for managed retreat

47 Managed retreat is an option that should only be used where there are no other tenable options after a careful balancing exercise. Other options to be considered during an adaptation planning process could include:

47.1 Doing nothing (eg, allowing the property to become unusable over time and potentially allowing people to remain in at-risk areas)

47.2 Protecting against the changes (eg, engineering options such as seawalls, or ecosystem-based adaptation)

47.3 Accommodating the changes (eg, protecting in the short-term or managing existing exposure through steps such as raising houses onto stilts or requiring buildings to be rebuilt following a hazard event in a different location or to a higher standard of resilience).

48 9(2)(f)(iv) 

49 According to recent research there are five main stages to a proactive managed retreat process. I propose to include a high-level diagram in the consultation material outlining these stages:

49.1 Initiation

- 49.2 Planning and preparing
 - 49.3 Enabling investment
 - 49.4 Active retreat
 - 49.5 Clean up and repurposing.
- 50 I do not expect that the process will be identical for every retreat. For example, the process may be different for a retreat following a natural hazard event compared to a retreat planned in anticipation of a future hazard event. Different tools may also be necessary for pre- and post-event retreats.
- 51 The details of the new resource management system will not be publicly released until the Bills are introduced later in 2022, after the National Adaptation Plan consultation. The diagram is therefore based on what is known so far and references to elements of the resource management system are at a high level.

Roles and responsibilities

- 52 All actors have a part to play in reducing the risks from natural hazards impacts, including individuals who will have responsibilities for managing risks to private property. I propose to include a discussion in the consultation material on the roles and responsibilities different actors could take within a managed retreat system.
- 53 Currently, homeowners and asset owners are responsible for managing their own risks and there is no specific mandate for any level of government to manage the movement of people permanently away from high-risk areas. Legislation only provides for required post-event evacuations and the 'red-stickering' of property. It does not provide for managed retreat.
- 54 There have been processes approximating managed retreat, however, these have generally been taken on by local government in support of communities in an ad hoc way.
- 55 Local government has obligations to prepare for and manage risks from natural hazards and climate change under a variety of acts including the Local Government Act, the Resource Management Act, the Civil Defence Emergency Management Act and the Building Act.
- 56 In practice, large events have also involved central government playing a role. Uncertainty about who is responsible for what and when, and the difficult trade-offs this issue inherently involves, has stalled councils' progress in making and implementing decisions.
- 57 The benefits of a planned and coordinated approach to managed retreat include ensuring equity (by establishing a principled basis for decision making across the country) and increasing efficiency (reducing the chance of ad hoc and expensive responses on a case by case basis).

58 9(2)(g)(i)

9(2)(g)(i) [Redacted]

59 Local government will likely continue to play a lead role in most cases of managed retreat. There may be situations where central government may decide to take on a specific decision-making role or an otherwise higher level of involvement, for example due to the scale of the area affected, the level of risk, the urgency of the retreat or the vulnerability of the affected area.

60 As directed by the Climate Response Ministers Group (CRMG 16 February 2022) the consultation material includes discussion of illustrative criteria for greater central government involvement (not preferred policy options). It also includes a question seeking views on what the criteria for greater central government involvement could be. As with any criteria for central government intervention, risks of gaming the process and criteria will need to be managed as policy development is progressed.

61 It will be important to draw lessons from previous processes used to relocate people following a hazard event in designing solutions for a managed retreat system. For example, lessons from the Christchurch red zone experience will need to be leveraged, legislation carefully designed to mitigate some of the moral hazard risks raised in that case.

9(2)(f)(iv) [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Increasing investment in climate resilience, cost sharing and insurance

66 Incentivising actors to manage their risks and invest in resilience now can help to reduce the challenges and costs of climate change in the future. An interrelated body of work is underway across Government, which will help create the policy settings for investment in resilience and adaptation measures, including managed retreat. These are discussed in the draft National Adaptation Plan.

67 9(2)(f)(iv) [Redacted]

Proactively released under the Official Information Act 1982

9(2)(f)(iv) [Redacted]

68 I therefore propose to consult on cost sharing in the context of roles and responsibilities, at a high level only. Officials will continue to consider appropriate mechanisms to support the proposed managed retreat framework, as part of the legislation.

69 9(2)(f)(iv) [Redacted]

[Redacted]

Development of legislation post consultation

71 9(2)(g)(i) [Redacted]

72 Although Cabinet agreed that the Ministerial Oversight Group would make the policy decisions required for development of the Climate Adaptation Act, in practice the Ministerial Oversight Group's focus has been on the Strategic Planning Act and Natural and Built Environments Act following the decoupling of the Climate Adaptation Act workstream from those Acts. The Ministerial Oversight Group process will come to an end before policy decisions for the Climate Adaptation Act can be taken. Instead, I propose that the Climate Response Ministers Group provide direction on policy development for the Climate Adaptation Act.

73 9(2)(f)(iv) [Redacted]

[Redacted]

[Redacted]

[Redacted]

Proactively released under the Official Information Act 1982

73.4

9(2)(f)(iv)

- 74 It is also important to engage with those population groups who may be at greater risk of inequitable outcomes as a result of hazard impacts. I have directed officials to develop a plan with relevant agencies (including the Ministry of Social Development – Office for Seniors, Ministry of Social Development – Office for Disability Issues, Te Arawhiti, Ministry of Housing and Urban Development, and Te Puni Kōkiri) to seek input from representatives of these groups during detailed policy development.

Financial Implications

- 75 There are no direct funding implications as a result of this paper. I have submitted an initiative currently being considered as part of Budget 2022 to resource further policy development for the Climate Adaptation Act. Further papers will include analysis of the financial requirements and there may be a need for further budget bids to support implementation.

76

9(2)(f)(iv)

- 77 There are uncosted financial implications that arise from inevitable impacts of climate change, including ad hoc responses to natural hazard events. This work will help the Crown understand and manage future costs.

Legislative Implications

- 78 This paper has no immediate legislative implications, but the consultation will inform policy development that will be implemented through new primary legislation or changes to existing legislation.

Te Tiriti o Waitangi Implications

- 79 Managed retreat has significant implications for Māori and Māori rights and interests. Our research shows that Māori communities are more sensitive to natural hazards (eg, earthquakes, volcanic eruptions, flooding, storms and drought) and climate impacts due to the proximity of housing, infrastructure and sites of cultural significance to the coast (and other at risk areas) (eg, marae (ancestral meeting house), urupā (burial ground), pātaka kai (traditional food gathering sites), wāhi tapu (sacred sites)).

80

There are many Māori communities, whānau, iwi and hapū in coastal fringes and lowland areas who are already exposed to flooding, erosion and sedimentation, and these risks are projected to increase with sea-level rise. Other Māori-owned land is steep and susceptible to damage from high-intensity rainstorms. About 80 per cent of the land and ocean-based resources owned by Māori are held in multiple or communal ownership.

81

We know that Māori land has a unique set of legal arrangements and characteristics specific to collective ownership with clear principles and objectives centred around land retention, the protection of wāhi tapu and land utilisation. Further analysis and expert

advice is needed on the specific issues that these arrangements will have on managed retreat.

82 Some Māori are less able to ‘retreat’ to other areas which can increase the complexity of managed retreat. Some of these reasons may include the unique relationship and spiritual connection Māori have to the land and its natural resources as well as the difficulty in moving sites of cultural significance such wāhi tapu, pātaka kai and urupā.

83 9(2)(f)(iv)



84 It is critical to approach the design of the managed retreat system with a wide lens and within the context of Māori well-being and existing legislative and policy frameworks including Te Ture Whenua Māori Act, Treaty settlement legislation, the Marine and Coastal Area (Takutai Moana) Act and iwi environmental management plans. I anticipate that Māori will want to see these rights and interests either protected and/or enhanced alongside a managed retreat system.

85 Consistent with the Climate Change Commission’s advice on Te Tiriti o Waitangi as being central to New Zealand’s climate response, there is a strong need to carefully consider this legal framework, and the views of iwi and Māori in developing a managed retreat system to ensure the Crown’s Te Tiriti obligations are being upheld.

Impact Analysis

Regulatory Impact Statement

86 Based on the information provided by the Ministry for the Environment, Treasury’s Regulatory Impact Analysis team is satisfied that the intention or effect of the discussion document is not to narrow down the range of regulatory options being considered for adaptation funding and financing and managed retreat.

87 Therefore the Cabinet’s impact analysis requirements do not apply at this time. Officials from the Ministry for the Environment will engage with the Treasury’s Regulatory Impact Analysis Team to confirm the scope of Regulatory Impact Statements to support any future decisions by Cabinet or the Climate Response Ministers’ Group on policies that will have regulatory impacts.

Climate Implications of Policy Assessment

88 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to these proposals at the consultation stage. The CIPA team will work with officials working on these proposals as they are advanced to assess the likely emissions impacts as appropriate.

Population Implications

- 89 There are no implications arising as a direct result of this paper for specific population groups. This is because it proposes only high-level consultation on managed retreat, policy for which is yet to be designed in detail.
- 90 Climate change will impact different parts of New Zealand differently. People in areas that will suffer more from coastal inundation or flooding, for example, are more likely to need to retreat as a result of climate change at some point in the future.
- 91 Consideration of equity and distributional impacts on Māori, ethnic communities and minorities, rural communities, women, children, youth, older people, disabled people, renters, public housing tenants and low-income homeowners, will need to be taken into account in the development of policy proposals for the CAA.

Human Rights

- 92 The proposals in this paper do not have any immediate human rights implications.

Consultation

- 93 The following agencies have been consulted on the proposals in this paper: Department of Internal Affairs, Department of Prime Minister and Cabinet, National Emergency Management Agency, Ministry of Business, Innovation and Employment, Ministry of Social Development, Ministry of Social Development – Office for Seniors, Ministry of Social Development – Office for Disability Issues, Te Arawhiti, Ministry for Primary Industries, Ministry of Housing and Urban Development, Department of Conservation, Waka Kotahi, Ministry of Culture and Heritage, Te Puni Kokiri, Earthquake Commission, Ministry of Education, Land Information New Zealand, New Zealand Defence Force, Ministry of Transport, the Treasury.

Communications

- 94 I intend to include the content in Appendix 1 as part of material that will accompany the National Adaptation Plan. There is a communications plan for the National Adaptation Plan consultation, which this material will be incorporated within.

Proactive Release

- 95 I intend to proactively release this Cabinet paper alongside other consultation materials, subject to redactions under the OIA as appropriate.

Recommendations

The Minister of Climate Change recommends that the Committee:

1. **Note** consultation on a draft of the National Adaptation Plan must begin by mid-April to meet the statutory deadline for publishing the National Adaptation Plan by 3 August.
2. **Note** Cabinet agreed in principle in March 2021 to a list of potential primary objectives and principles for the Climate Adaptation Act [CAB-21-MIN-0068].

3. Note that the Climate Response Ministers Group agreed to direct officials to include the revised objectives and principles in this Cabinet paper (CRMG meeting 16 February 2022).
4. **Agree** to the changes to the objectives and principles for managed retreat.

Objectives	<ul style="list-style-type: none"> • To set clear roles, responsibilities and processes for managed retreat from areas of intolerable unacceptable risk • To provide stronger tools for councils to modify or extinguish existing uses of land • To provide clarity on tools and processes for acquiring land and related compensation • To clarify local government liability for decision-making on managed retreat, and the role of the courts • To provide clear criteria for when central government will intervene (or not) in a managed retreat process
Principles	<ul style="list-style-type: none"> • Managed retreat processes are efficient, fair, open and transparent • Communities are actively engaged in conversations about risk and in determining and implementing options for risk management • Social and cultural connections to community and place are maintained as much as possible • There is flexibility as to how managed retreat processes play out in different contexts • Iwi/Māori are represented in governance and management and have direct input and influence in managed retreat processes, and outcomes for Iwi/Māori are supported • Protection of the natural environment and the use of nature-based solutions are prioritised

5. **Agree** to include the consultation material and questions on the core parts of a high-level framework for managed retreat (objectives and principles, establishing a process for managed retreat, and roles and responsibilities) subject to final editing (Appendix 1), alongside the draft National Adaptation Plan.
6. **Note** further public consultation on managed retreat will occur through the select committee process after legislation is introduced to the House.
7. **Agree** to include high level questions on objectives and principles in the context of managed retreat (Appendix 1 at 16).
8. **Agree** to include high level questions on establishing a process for managed retreat in the context of managed retreat (Appendix 1 at 17 – 21).
9. **Agree** to include high level questions on roles and responsibilities, and associated cost sharing in the context of managed retreat (Appendix 1 at 22 – 27).
10. **Agree** to include high level questions on approaches to making changes to land ownership in the context of managed retreat (Appendix 1 at 28 – 32).
11. **Agree** to include high level questions on the implications of managed retreat for Māori (Appendix 1 at 33 – 38).

12. **Agree** to include high level questions about the interaction between insurance and managed retreat (Appendix 1 at 39 – 41).
13. **Note** that the Ministerial Oversight Group process established to make decisions on resource management reform is coming to an end.
14. **Agree** the Climate Response Ministers Group will be used to provide direction on policy development for the Climate Adaptation Act.
15. **Note** ^{9(2)(f)(iv)} [REDACTED]
16. **Note** officials are developing an engagement plan for population groups likely to be disproportionately impacted by the impacts of climate change.
17. **Agree** to allow the Minister of Climate Change to make minor design, editorial and technical changes to the consultation material as needed.

Authorised for lodgement

Hon James Shaw

Minister of Climate Change