

# Te kimi kāinga rua ā-haporī me te tahua urutau: Ngā take me ngā kōwhiringa

## Community-led retreat and adaptation funding: Issues and options paper

A chapter-by-chapter snapshot

## Background

In August 2023 the Ministry for the Environment published *Community-led retreat and adaptation funding: Issues and options paper*. The paper sets out challenges in the current climate adaptation system and possible options to address those challenges. It draws on research including the report by the Expert Working Group on Managed Retreat. It also draws on engagement with local government, Treaty partners and stakeholders.

### Climate Change Adaptation Bill

The Resource Management Review Panel's report, *New Directions for Resource Management in New Zealand* (known as the Randerson Report) which led to a comprehensive review of the resource management system, proposed new legislation on retreat and adaptation funding. The first national adaptation plan includes an action to pass legislation for retreat in the period 2022–2024.

The Environment Committee is currently accepting public submissions to inform their inquiry into climate adaptation. It is expected that this inquiry will result in recommendations to Parliament, including proposals for the Climate Change Adaptation Bill.

### Have your say on climate adaptation

You can find out more about the inquiry into climate adaptation [here](#) and can lodge your submission [here](#). Submissions to the inquiry are currently scheduled to close on 1 November 2023.

# A chapter-by-chapter snapshot

## Chapter 1: Context

Through the first national adaptation plan and resource management reforms, the Government has taken steps to shift to proactive adaptation. Two significant gaps remain: those relating to community-led retreat, and to funding for retreat and other adaptation actions (such as protecting, accommodating and avoiding).

The paper uses the term ‘community-led retreat’, rather than ‘managed retreat’. Community-led retreat means moving homes, businesses, sites of cultural significance and taonga out of harm’s way through a carefully planned process that involves the community at every step.

The paper sets out the issues and possible options across the adaptation process, with a particular focus on community-led retreat and adaptation funding.

## Chapter 2: The need for change

The risk that natural hazards pose to Aotearoa New Zealand is well documented. Some groups are more vulnerable to this risk, including Māori, Pacific peoples, rural communities, disabled people and older people.

Natural hazards include events like floods (whether caused by rain or sea-level rise), landslips, coastal erosion, tsunamis, heatwaves, droughts, earthquakes and volcanoes.

There are four key challenges with our current approach to climate adaptation:

- barriers to Māori participation and upholding Māori rights and interests
- variable quality of risk assessments and local adaptation planning
- no enduring and comprehensive system for community-led retreat
- gaps in our funding approach.

Better adaptation will help us to avoid or reduce many of the costs and impacts of climate change.

## Chapter 3: Te Tiriti-based adaptation

The paper refers to groupings of Māori at place as ‘iwi, hapū and Māori’ or ‘iwi, hapū and Māori communities’. This approach was also used for resource management reforms. While iwi, hapū and Māori includes Māori landowners, marae and whānau; they are also referred to separately where appropriate.

Iwi, hapū and Māori are disproportionately affected by climate change and face barriers to participating in adaptation. Because of this, iwi, hapū and Māori are already undertaking adaptation planning.

The issues and options paper is intended to create a starting point for discussions with iwi, hapū and Māori about a te Tiriti-based adaptation system that includes community-led retreat.

The Crown should proactively work with iwi, hapū and Māori to remove barriers to participation, and uphold Treaty settlements and Māori rights and interests. Te ao Māori and local mātauranga should be central to the development of risk assessments and adaptation planning at place, including Māori decision-making.

In areas where community-led retreat may be the only option, iwi, hapū and Māori should retain ownership of the land to maintain their connection with the whenua. All parties will need to discuss what retreat might mean for subsequent land use and the support that is needed for iwi, hapū and Māori to relocate. Iwi, hapū and Māori will need adequate resourcing to participate.

## Chapter 4: Risk assessment

Risk assessment is a critical first step in the adaptation process. It is essential for understanding the risks posed by natural hazards and to trigger action.

Risk assessment: An understanding of the risks posed by natural hazards (such as flooding or landslides), including how exposed or vulnerable the things at risk might be.

Many councils undertake risk assessments, and there are some high-quality examples. However, the quality and comprehensiveness of risk assessments varies. This can be due to councils facing difficulty accessing quality data, the use of varying methodologies, as well as different approaches to engaging with affected communities through the risk assessment process.

Over time, councils should identify, assess, and address risks from natural hazards in a consistent and rigorous way. This will help communities to identify the level of risk they are prepared to accept and how to address the risks that are unacceptable.

## Chapter 5: Local adaptation planning

Once a region has identified its risks, it will need to focus on areas that are a high priority for adaptation.

Councils currently undertake different levels of local adaptation planning. While there are many good examples across Aotearoa, the quality varies. This is often due to problems with risk assessment and a lack of direction and tools from central government.

Central government could consider how to strengthen local adaptation planning. A decision should also be made about the system we put in place for retreat and that for other adaptation options (protect, avoid, accommodate).

## Chapter 6: Community-led retreat

We do not have an enduring and comprehensive system for community-led retreat. As risks increase, we may see the disorganised withdrawal of affected people, businesses and services, leading to significant hardship.

Two possible options are:

- Option 1: A purely voluntary system

A purely voluntary system would leave the choice of whether to retreat to those that are affected. Decision-makers could still work to identify the potential risks and types of support available to people who chose to retreat. Where financial assistance is available, it could expire after a period of time, similar to the voluntary buyouts in the Christchurch red zone following the Canterbury earthquakes.

- Option 2: A system with a mix of voluntary and compulsory parts

The Expert Working Group on Managed Retreat recommended this option. The system would be guided by the principle that those affected should have as much choice as possible during the retreat process, which is consistent with an effective implementation of retreat. Under this option, choice could be limited to when and how to leave, rather than whether to leave.

For both options, new powers will be required relating to the ownership, control and acquisition of land, as well as other supporting powers. The exact powers needed will depend on the system that is designed.

## Chapter 7: Funding and financing

Some of the responsibilities for meeting adaptation costs are set out in legislation and others have evolved over time in an ad-hoc manner, such as in response to a natural disaster. While individuals, households, businesses, councils, and central government are responsible for managing the risks to assets they own, some will lack the resources they need to fund the best adaptation actions for their situations.

We need to consider how adaptation costs should be shared. A core question is if and when central government should provide additional financial support for adaptation (including retreat). Where central government has a role, it may be helpful to signal in advance what costs it will prioritise. Initial priority areas could include property-level funding, home-resilience funding, flood protection and a dedicated fund for iwi, hapū and Māori.

There are several possible approaches to funding retreat:

- Option 1: Government does not set up a framework for compensating people who need to retreat. Compensation is given on a case-by-case basis, usually after a disaster.
- Option 2: Government provides a low level of support to the worst affected. For example, assistance could be limited to paying a remaining mortgage debt on primary places of residence up to a modest cap.
- Option 3: Government gives a higher level of support, to enable like-for-like payments, up to a cap. For example, compensation could be based on current market value or insurance value, or the cost to rebuild per square metre.

## **Chapter 8: Adapting through recovery**

An enduring adaptation system could be used to guide quick decisions on recovery in the immediate aftermath of a disaster, as well as in pre-disaster planning. The system will need some flexibility to reflect disaster recovery needs in different regions of Aotearoa.

