



2 June 2022

Hon James Shaw
Minister of Climate Change
Parliament Buildings
Wellington

Tēnā koe Minister

I am writing to you about the Government's current consultation on the draft National Adaptation Plan, and aspects of managed retreat that will inform the Climate Adaptation Act.

The Commission is pleased that the Government is progressing work that sets the foundation for climate adaptation in Aotearoa. Both climate mitigation and adaptation are needed to set Aotearoa on track for a thriving, climate-resilient and low emissions future.

The Commission will not be providing a detailed written submission on this adaptation consultation. This reflects that our role is to monitor progress on the National Adaptation Plan – both in terms of how the actions within the Plan are implemented and how effective the Plan is in driving adaptation and reducing climate risks. With our adaptation functions being funded in Budget 2022, we will start laying the groundwork for monitoring and will watch with interest as the actions outlined in the final Plan develop.

However, we would like to comment on several points that are important for ensuring that adaptation is effective, proactive, and factors in the dynamic nature of climate change. These comments consider the latest science from the Intergovernmental Panel on Climate Change about the rapidly shrinking window to adapt. This urgency is echoed in recent work from the NZ Sea Rise project that shows some parts of the country are experiencing twice as much relative sea level rise as previously thought.

This Plan is not just about adapting to future impacts, but adapting to the impacts that Aotearoa communities are experiencing now and those already committed in our human and natural systems.

Sending the signals for proactive adaptation now

The strategies, policies and proposals in the first National Adaptation Plan will set the foundation for communities and organisations across Aotearoa to adapt to the impacts of climate change.

Emergency management will continue playing a key role in responding to events when they occur. However, proactive adaptation that anticipates changing risks helps build community resilience. It allows councils, communities and tangata whenua to work together towards adaptation goals. It reduces the need to react to immediate events and continually expose communities and their assets to foreseeable risk and the ongoing associated social, cultural and financial impacts that a reactive response brings.

A key part of this process is preventing avoidable additional risk. Aotearoa needs to take immediate steps to avoid new development in areas exposed to climate-related hazards that increases the adaptation burden and moral hazard.

Timeframes in the final National Adaptation Plan

There is a risk that central government spends too long setting the foundations for adaptation decisions that there is not enough time for councils, communities and Iwi/Māori to proactively work together to understand their climate risks and opportunities, explore adaptation options, make decisions and implement them.

We recommend that you explicitly consider how central government timeframes will impact on communities' ability to proactively adapt to climate change when setting timeframes in the final Plan.

Put in place transitional measures

Setting the foundations for adaptation involves significant legislative reforms, including to the resource management system, that will take time to implement and flow through to regional and district planning.

There is a question regarding what work needs to be done in the meantime to advance adaptation. There is an opportunity for central government to work collaboratively and in a coordinated manner with urgency with local government to start the adaptation process now and not wait for resource management reforms to be completed which would delay proactive action.

We welcome focus around improving natural hazard information on Land Information Memoranda (LIM). While this will help to inform people of climate risks when making a decision to purchase property, this does not address the risk to new development in areas exposed to climate-related hazards.

We recommend you include transitional measures in the final Plan that support local government to take proactive steps prior to reforms being implemented. This could include clear direction on what existing levers and tools councils should use to avoid further development in areas at risk from climate change, and that lock-in maladaptive development.

Equitably sharing the costs of climate change

We welcome your request for feedback on how the costs of managed retreat should be shared, and acknowledge that central government cannot bear all the risks and costs of climate adaptation.

We recommend you prioritise work on how to equitably share the costs of climate change. This should include not only how the costs of managed retreat should be shared, but more broadly about whether and how compensation should be paid to those who face losses or damages from climate change.

The Government should be cautious not to create expectations that all costs and losses associated with climate change and adaptation will be compensated. This would create moral hazard.

Addressing the question of how the costs are shared requires tough but crucial conversations. Delaying these conversations risks a decision on how to share costs being made for us, rather than by us. This may result in an outcome that is inefficient and inequitable, particularly for those least able to adjust today and for future generations. Central and local government have been making such funding and financing decisions as the impacts occur without a proactive framework and face a greater frequency of them as a result of climate change.

How costs are shared will need to vary in different situations. There are several aspects of this that deserve particular consideration:

- How proactive responses should be funded as compared to reactive responses
- Whether people should get compensated for risks they have knowingly taken, for example new developments built on sites known to be exposed to climate risks, existing exposed properties purchased with knowledge of the risks or where actions have been taken to knowingly increase the risks.
- What is considered foreseeable as opposed to unforeseeable, and how this changes over time as climate change and natural hazards exacerbated by climate change become increasingly foreseeable.
- How whenua Māori that has always been in Māori ownership (Māori ancestral land) or returned through the settlement process is considered in processes that involve managed retreat and land acquisition.
- How the costs fall not only within generations but across generations.

Aligning legislation and policy

The draft National Adaptation Plan outlines a number of important reforms, including reforms to resource management, emergency management, local government, and three waters. There is also a proposal to update the Building Code performance requirements to take into account climate change.

We draw your attention to the need for legislation and policy alignment. In *Ināia tonu nei*, we recommended the Government commit to aligning policy and investments to enable local government to make effective decisions for climate change mitigation and adaptation. This should include aligning the Local Government Act, the Building Act and Code, the Resource Management System and associated national direction, Rautaki Hanganga o Aotearoa New Zealand's Infrastructure Strategy, Natural Hazards Insurance Bill, Soil Conservation and Rivers Control Act, the National Policy Statement on Urban Development and the New Zealand Coastal Policy Statement.

Aotearoa has the opportunity to transition in a way that considers the broader wellbeing of the people, the land, and the environment. Climate resilient development means addressing climate mitigation and adaptation in concert with the broader health and wellbeing of our people, water and biodiversity.

We recommend you align the Emissions Reduction Plan and National Adaptation Plan, and ensure the actions outlined within them consider the need to reduce emissions, increase resilience and reduce climate risk, and maximises opportunities and co-benefits. For example, by including climate adaptation in the Equitable Transitions Strategy and Industry Transformation Plans, and considering how climate-focused agricultural extension and advisory services can address climate adaptation alongside climate mitigation and other environmental and business objectives.

Partnership with Iwi/Māori

The draft National Adaptation Plan outlines an action to establish a foundation to work with Iwi/Māori on climate actions. We strongly support central government partnering with Iwi/Māori to define outcomes and objectives, and to agree on how the climate actions will be designed, implemented and monitored. There are a number of actions in the draft Plan that relate specifically to Iwi/Māori. It will be important that the different central government agencies that are leading on these actions align their work and ensure they are underpinned by Te Ao Māori values and principles.

Creating a shared evidence base and capability for adaptation

We strongly endorse the need for an Adaptation Information Portal. This Portal would need to have a clear owner and steward. It would need ongoing ring-fenced funding, that cannot be redirected elsewhere, to maintain, update and improve the Portal over time.

The availability of relevant data and information are key barriers for many organisations when assessing and managing climate risks and opportunities, including the Commission, central and local government, Iwi/Māori organisations, and the estimated 200 Aotearoa businesses that are now mandated to assess and disclose their climate risks.

Consistent and comparable information and transparent approaches are important for the success of the mandatory climate disclosures regime. Without appropriate data, tools and guidance, there is a risk businesses use different approaches, making it more difficult for investors, lenders and insurers to assess and channel investment into more sustainable and resilient business models.

An Adaptation Information Portal would act as a shared evidence base to improve consistency across and between scales, reduce duplication and enable more time to be focused on adaptation actions. The Portal could contain data, information, tools, guidance and case studies along with a resource to upskill users. This would help underpin risk-based decisions under uncertainty, engagement and communication processes, and monitoring and evaluation.

A coordinated strategy will be needed to develop the Portal, draw on existing information, consider how it will be used to build adaptation capability and capacity, and fill knowledge gaps over time. This should be developed in conjunction with central and local government, research organisations, universities, community and Iwi/Māori adaptation initiatives, and those organisations assessing and managing climate risks and opportunities.

Accessibility to the Adaptation Information Portal and capability to use the resources is an essential component. Services for appropriately using the information could be included as part of the role of the entity that develops and maintains the Portal.

We recommend that you consider the scope of the Portal, including the need to build capability, and what entity would be best to develop and provide ongoing stewardship of the Portal over time.

Progress indicators that enable the Commission to assess implementation progress

The draft Plan outlines the progress expected on each of the actions by August 2024, and notes that additional indicators out to August 2028 – when the Plan ends – will be included in the final version.

Focussing on what is expected to be completed by August 2024 does not factor in that our monitoring report is due in August 2024 and work to assess progress will need to be completed prior to that. It will also be difficult for us to assess implementation progress by only having a snapshot of progress expected in 2-yearly intervals – by August 2024, August 2026 and August 2028.

We recommend that you outline key milestones out to 2028 for each action in the final Plan so that the Commission is able to adequately assess implementation progress.

Ngā mihi nui



Dr Rod Carr

Chair of He Pou a Rangi Climate Change Commission

cc: Vicky Robertson – Secretary for the Environment