

Environment Committee

Inquiry into Climate

Adaptation

Summary of Submissions

Contents

Executive summary	4
Context	4
Need for change	4
Outcomes and principles	5
Risk assessment	5
Local adaptation planning	6
Retreat	6
Funding and financing	7
Terminology	8
Adapting through recovery	8
Section 1: Overview	9
Environment Committee inquiry into climate adaptation	9
Submissions breakdown	10
Structure of this document	11
Section 2: The need for change	13
Section 3: Outcomes and principles	20
Outcomes and principles for a retreat system	20
Outcomes and principles for funding	23
Section 4: Risk assessment	24
Need for risk assessments	24
Quality of risk assessment	24
Standardisation	25
Stages and scale of risk assessment	26
Frequency of risk assessment review	27
Mātauranga-based framework for risk assessment	27
Section 5: Local Adaptation Planning	29
Decision making	32
Section 6: Retreat	33
The need for a retreat system	33
Options for a retreat system	33
Views on the Crown's Tiriti obligations in the context of retreat	37
Appeals and dispute resolution	38
Ministerial intervention	38

Protecting decision-makers from liability	38
Section 7: Funding and Finance	40
Current system for funding and finance	40
Cost sharing	41
Role of central government	44
Role of local government	45
Role of private sector	45
Solutions for funding and financing	47
Approaches to providing support to those needing to retreat	49
Funding approaches for iwi, hapū and Māori	51
Section 8: Other matters	53
Terminology	53
Adapting through recovery	54

Executive summary

Context

1. In August 2023, the Environment Committee initiated an inquiry into climate adaptation. The terms of reference were wide, and the Committee was interested in hearing from the public in relation to a number of interconnected issues including: the current approach to retreat and adaptation funding, roles and responsibilities of central and local government agencies, iwi, hapū and Māori participation, alignment and integration with existing legislation and regulatory framework and funding sources, access to those sources, and principles and criteria for cost sharing.
2. Information available to submitters included: the Report of the Expert Working Group on Managed Retreat: A Proposed System for Te Hekenga Rauora/Planned Relocation (EWG report) and a paper prepared by the Ministry for the Environment: Community-led retreat and adaptation funding: Issues and options paper (issues and options paper).
3. A wide range of groups made submissions to the Committee including local government, business, infrastructure providers, community groups, practitioners, experts and individuals. There was widespread support for the EWG report and submitters generally agreed with its recommendations. Submitters also generally supported the content of the issues and options paper and responded in detail to many of the specific questions it raised.
4. Overall, submitters suggested that the current system cannot adequately enable adaptation to our changing climate, nor can it effectively provide for retreat, either before or after natural hazard events. However, the submissions indicated that some aspects of the existing system are useful, and some councils are already engaging in adaptation planning, although there are limits on how effective that planning can be. Generally, submitters agreed that we urgently need new and comprehensive adaptation legislation that will provide the information, processes, tools and powers needed to provide efficient adaptation planning and responses, in particular for retreat. Legislation would also provide for clarity of roles and responsibilities and clarity of action enabling all people and communities to make informed decisions.
5. The structure of this executive summary and the main contents of this report are largely based on the structure of the issues and options paper, given the large number of submitters who based their submission points on the questions asked in that paper.

Need for change

6. Submitters generally agreed that the problem facing New Zealand is accurately described in the EWG report and issues and options paper. Many noted that New Zealand has a large amount of aging infrastructure, many properties in high natural hazard risk areas, and an ingrained reliance on hard engineering solutions to manage risks. Many submitters also noted that land is often people's main investment and form of savings. They highlighted there is a widespread expectation that people will be compensated if they retreat, and that this expectation is underpinned by a number of precedents, including the response to the Canterbury Earthquakes and the response following the severe weather events in early 2023.

7. Many submitters also noted that affected communities often have a low appetite for either pre-emptive or post-event retreat. There are many reasons for this, including lack of information, evidence, and understanding of the risks, lack of ability to fund retreat and connection to place. Local government was identified as lacking the resources, guidance, and capability and capacity to tackle adaptation issues alone.
8. There was wide support for central government to set clear direction for how local adaptation planning should occur. Many submitters noted that a framework with core rules, engagement guidance, clear roles and responsibilities, and methods for determining risk tolerability should be developed. There was general agreement that this should be integrated with other legislation to ensure efficiency, though there was acknowledgement that the resource management system largely fails to prevent development in at-risk locations, inhibiting the ability to adapt.

Outcomes and principles

9. Submitters generally agreed with the outcomes and principles as stated in the issues and options paper. A few submitters also noted support for the outcomes and principles outlined in the EWG report.
10. Several submitters stressed that wellbeing or safety should be an overarching outcome or principle. Principles relating to fairness and equity were also raised by some submitters, including equitable distribution of costs and benefits of retreat and ensuring equity between and within communities and generations. Related suggestions included: avoiding hardship, resolving existing inequities and ensuring positive socio-economic outcomes.

Risk assessment

11. Most submitters agreed that there was a need for central government direction or guidance on risk assessments, including an agreed methodology for conducting risk assessments and determining the level of tolerability for risk. Many submitters also agreed that the risk assessments should consider all hazards (a hazard agnostic approach) as opposed to only considering those hazards exacerbated by climate change.
12. A three-stage risk assessment approach, as described in the issues and options paper, comprising high-level initial assessments and more in-depth analysis of identified risks was supported by many submitters.
13. Many submitters also made suggestions relating to what aspects of risk assessment should be legislated for. These included the need to require risk assessments to be undertaken (as opposed to leaving them discretionary), clearly defining roles and setting out how frequently the risk assessment process should be undertaken and reviewed.
14. Submitters generally agreed that robust data and information is vital to the risk assessment process, with many suggesting central government should take a leadership role in providing this. Many submitters also supported making data and information easily understandable and widely available, in order to allow individuals and communities to make informed decisions about the risks they are comfortable taking.
15. Roles and responsibilities for assessing risk were widely discussed. Many submitters noted that technical experts are best placed to undertake the highly technical exercise of assessing risk, but that it is important for communities to have a role.

Local adaptation planning

16. Submitters acknowledged the need to plan to adapt to a changing climate. Many highlighted the problems with the current system, under which councils can prepare adaptation plans if they choose, but there is no requirement to do so and no direction on how to do so. The optional nature of plans and the lack of legislative mandate to prepare them also means that they have no formal status within the existing system and there are no direct means by which they can be implemented.
17. Generally, submitters suggested that local adaptation planning should be led by local government. Local government should also be the primary decision makers, with provision made for Māori-led approaches, where this is desired by iwi, hapū and Māori communities.
18. Most submitters agreed that all stages of adaptation planning and implementation should involve significant engagement with communities, iwi, hapū and Māori communities, and the private sector. There should also be significant public education about what adaptation is, how it is different from disaster response, the need to undertake adaptation planning, the need for everyone to be involved, and the economic benefits of pre-emptive retreat compared to post-disaster recovery. Education should include ensuring that people are made aware of the implications of staying in an at-risk area, including the costs that may fall to them.
19. Many submitters considered that central government support for adaptation planning should include direction and guidance to ensure consistent, long-term planning. However, it was stressed by some that this should also allow flexibility and the ability to tailor the process to local needs. Many submitters also suggested that central government support could include expertise, both in providing resources to allow local adaptation implementation to draw on technical expertise and in engagement and communicating complex, technical information to different audiences.
20. Of those submitters who commented, all supported a Tiriti-based approach to adaptation where the Crown works proactively with iwi, hapū and Māori to understand how to uphold Māori rights and interests and give effect to the principles of the Treaty of Waitangi. Many submitters noted the system needs to be informed by te ao Māori and mātauranga Māori, be holistic and integrated with existing legislation.

Retreat

21. A large number of submitters stated that there is an urgent need for a comprehensive adaptation system that enables retreat as well as aligning it with other adaptation options. There was also a general consensus that the current system is inadequate and work to develop a system should be urgently prioritised in order to provide much needed certainty.
22. Of those submitters who provided comment, all supported the development of a retreat system containing a mix of voluntary and mandatory elements. However, there were a number of different viewpoints on when a mandatory retreat might be necessary. Some submitters considered it would only be justifiable where there is an existing high risk of loss of life. However, most submitters suggested there may be a wide range of circumstances that would justify a mandatory retreat.
23. Most submitters agreed land use should change following a retreat. A number of suggestions for temporary or low risk uses were provided. For example, restoring biodiversity, recreational uses, providing natural hazard buffers, or low-intensity food production. Several submitters noted

that retreat might give rise to opportunities for nature-based solutions to be adopted, which might assist adaptation by increasing the resilience of what remains. Submitters supported creation of a retreat system under which the ownership of whenua Māori would not change as the result of a retreat. However, they generally supported a transfer of ownership of general land to either central or local government following retreat.

24. Many submitters outlined their views on the range of specific powers that would be needed to enable a system of retreat, especially at the local government level. Powers for land acquisition (by agreement and compulsorily) and to control post-retreat land use were noted frequently by submitters. Many submitters also noted the need for clear, efficient and timely processes for modifying or extinguishing existing uses of land and the withdrawal of utilities and services to affected land. Submitters also suggested that powers would be required to:
 - ensure retreat from an area is enduring
 - ensure land use post-retreat is appropriate
 - support and enable different outcomes (recreational/ecological use for land)
 - maintain access to culturally significant sites.
25. Whether, and under what circumstances, decisions makers should be given some protection of liability was also discussed by a number of submitters. Generally, submitters considered that councils should be protected from liability when acting in good faith, using available evidence, and following agreed and established protocols that involve affected communities.
26. Many submitters felt that it was important that any powers within a retreat system ensure that tino rangatiratanga over whenua, kāinga, and taonga can be exercised by Māori. Submitters highlighted that a new system should provide for Māori customs, cultural practices, different Māori land types, and safeguard Treaty settlement legislation.

Funding and financing

27. Most submitters considered that the costs of adaptation should be shared across central government, local government, the private sector and individuals. However, they also stressed that clear roles and responsibilities need to be set out regarding who pays for what. Submitters also highlighted that there needs to be a balance between personal responsibility and equity (ie, people or groups should pay in line with their responsibilities or share). Many submitters considered that people who have knowingly taken a risk should not get, or not get as much, support as those who have not.
28. Conversely, there was a general sense that there needs to be some provision for support for those who genuinely need help and several submitters noted that financial support for people should be targeted to support those in need. Moreover, many submitters stressed that some kind of financial support will be required to incentivise retreat and this could lower costs overall, while also improving the health and wellbeing of affected people.
29. Most submitters agreed that there should be a funding mechanism for adaptation, with a clear preference for a dedicated adaptation fund, similar to the model used by the EQC Toka Tū Ake. There was significant support for this model being enduring, intergenerational, ring-fenced and not contestable or subject to the political cycle.
30. Many submitters called for more resourcing for iwi, hapū and Māori-led adaptation to enable this.

Terminology

31. Submitters did not support the term used by the issues and options paper ‘community-led retreat’ for varying reasons. These included that decision making would almost certainly sit at the local or central government level and so ‘community-led’ is unlikely to accurately reflect the level of community involvement it implies. However, it was acknowledged that a high degree of community input will be critical to the success of any retreat system.
32. Some submitters preferred the Expert Working Group’s reference to ‘planned relocation’. Others suggested a number of alternative terms. Some submitters supported the continued use of managed retreat given its international recognition and the fact it is more well known and understood. A number of submitters noted that it is important that Māori have the opportunity to determine an appropriate te reo term for their communities.

Adapting through recovery

33. Some submitters noted their experiences following the early 2023 severe weather events. A general observation was that although many of the needs that had to be met could be anticipated, the scale of the need was beyond what was expected. For example, social support, income, financial support, infrastructure to be up and running quickly, debris removal, and the trauma associated with an event.
34. In turn, this suggested that there is a real need to plan for how to respond following an event and that adapting after an event is substantively different from pre-event adaptation. Most submitters supported the need for some post-disaster adaptation planning to occur before disaster events. There was also support for a different approach to adaptation planning pre- and post-event (although guided by similar objectives).
35. A few submitters suggested a proactive framework for recovery that is ready for implementation during, immediately after and in the recovery and rebuild phase. This includes clear decision-making roles and responsibilities.

Section 1: Overview

Environment Committee inquiry into climate adaptation

36. On 24 August 2023, the Environment Committee initiated an inquiry into climate adaptation. On 14 December 2023 it was readopted for the new parliamentary term.
37. On 9 May 2024 Parliament passed a motion that the Finance and Expenditure Committee conduct an inquiry into climate adaptation. Among other things, the motion stated that “The committee must take account of submissions received by the Environment Committee on its recent inquiry into climate adaptation.”
38. This summary of submissions has been prepared to assist the Finance and Expenditure Committee to take into account the submissions received by the Environment Committee. The Environment Committee received a large number of thoughtful submissions. This summary does not attempt to capture all of the rich and detailed points made by submitters, although it does try to capture the key points. The submissions themselves are publicly available here:
[Submissions and Advice - New Zealand Parliament \(www.parliament.nz\)](http://www.parliament.nz)
39. The Terms of Reference for the Environment Committee are listed below. These terms guided those making the submissions and this summary should be read with them in mind:
 - The current approach to community-led retreat and adaptation funding, its strengths, risks and costs
 - Lessons learned from severe weather events and natural disasters in Aotearoa New Zealand for community-led retreat and funding climate adaptation
 - Effective mechanisms for community-led decision making
 - The role of the private sector in managing climate risk
 - Potential institutional arrangements, including roles and responsibilities of central and local government agencies, iwi and hapū
 - Māori participation, Crown obligations, and how to best give effect to the principles of Te Tiriti o Waitangi, and integrate mātauranga Māori and te ao Māori across the adaptation system
 - Alignment and integration with existing legislation and regulatory framework, including the reformed resource management system and any changes needed to regulatory powers and potential economic or other incentives needed to support adaptation actions (both before and after extreme events)
 - Funding sources, access to them and principles and criteria for cost sharing
 - Targets or indicators for assessing progress to more resilient communities and infrastructure.

To support the inquiry, the Ministry for the Environment published two documents:

Report of the Expert Working Group on Managed Retreat: A Proposed System for Te Hekenga Rauora/Planned Relocation (EWG report)

40. The Expert Working Group on Managed Retreat was comprised of retired senior judges, senior lawyers, insurers, bankers, academics with expertise in public policy and economics, and experts in te ao Māori. The working group was commissioned by the Ministry for the Environment to develop advice about the practical, legal, and financial aspects of enabling managed retreat, or as the group itself preferred ‘planned relocation/te hekenga rauora’. This advice was intended to inform the development of detailed policy design. The report contains 89 recommendations across six chapters: context, recognising Māori rights and interests in a system for te hekenga rauora, a framework for adaptation planning and planned relocation, powers, funding and financing for planned relocation, and institutional frameworks for planned relocation.

Community-led retreat and adaptation funding: Issues and options paper (issues and options paper)

41. The issues and options paper was written by the Ministry for the Environment to provide information for those submitting to the Environment Committee’s inquiry into climate adaptation, drawing on the EWG report. It looked at the current system and what new powers, roles and responsibilities might be needed to support community-led retreat. It also considered: how the costs of adaptation could be met, how a Tiriti-based adaptation system could work for iwi, hapū and Māori communities, and how lessons learned from past severe weather events and natural disasters might be considered for recoveries in the future.
42. The issues and options paper asked 22 questions. The questions addressed these themes:
 - the need for change
 - Tiriti-based adaptation
 - risk assessment
 - local adaptation planning
 - community-led retreat
 - funding and financing
 - adapting through recovery.

Submissions breakdown

43. The inquiry was open for public submissions between 25 August and 1 November 2023. Over this period a total of 147 submissions were received (including 9 late submissions). One submission was provided with an accompanying video, while others contained multiple appendices.
44. Submissions were from a broad range of groups and individuals which can be grouped into:
 - 31 local government bodies or local government representative groups
 - 21 individuals
 - 11 academics, researchers and research groups
 - 12 practitioners and practitioner representative groups
 - 12 business and business group representatives
 - 42 NGO, industry and community groups

- 6 Crown entities
- 12 iwi, hapū, Māori.

45. Submitters represented a variety of regions:

Table 1: Regional distribution of submitters¹

Region	# of submitters
Northland	2
Auckland	19
Waikato	10
Bay of Plenty	7
Tairāwhiti/Gisborne	3
Hawkes Bay	3
Taranaki	1
Manuwatu-Wanganui	2
Wellington	43
Nelson	4
Tasman	3
West Coast	1
Canterbury	12
Otago	5
Southland	2
Overseas	2
Unspecified	28

46. 100 submitters expressed that they would be willing to speak to their submission.

47. A high proportion of submitters shaped their submissions around the questions asked in the issues and options paper. Many submitters also referred to the EWG report. Some submitters structured their submissions around their individual or group perspective on key issues and areas of interest. Many submitters also supported their submissions by reference to other documents, such as previous submissions made to other inquiries or academic reports. There were a few submissions that did not speak to the Environment Committee's terms of reference or matters raised by the issues and options paper and were treated as out of scope.

Structure of this document

48. This document is largely based on the structure of the issues and options paper, given the large number of submitters who based their submission points on the questions it asked.

49. It is structured as follows:

¹ Based on the location/region from which the submission was sent. Many submissions, particularly iwi/hapū/Māori and businesses cover multiple regions, and as such cannot be easily categorised.

- section 2: The need for change
- section 3: Outcomes and principles
- section 4: Risk assessment
- section 5: Local adaptation planning
- section 6: Retreat
- section 7: Funding and finance
- section 8: Other matters

50. Selected quotes from submissions have been included in this summary. They have been selected for their value in illustrating issues raised by submitters, or because they articulate issues in a way that is difficult to paraphrase without losing the original meaning. Their inclusion in this document does not imply that they are weighted over and above submissions that have not been cited specifically.

Section 2: The need for change

The issues and options paper discussed the challenges with the current adaptation system and the costs of not adapting well. It sought people's views about what the existing barriers to adaptation might be, including about matters that may prevent Māori from engaging in adaptation, weaknesses in current risk assessment methods and local adaptation planning, matters that prevent us from retreating in advance of disasters and generally about views on the existing gaps that could be filled in a comprehensive adaptation system.

The increasing risk posed by natural hazards

51. Submissions provided a rich amount of information and data about how climate change and natural hazards are affecting different sectors, institutions and areas around the country. Impacts are being felt more intensely and frequently by submitters.
52. Many of the submissions noted the challenges faced by many communities across New Zealand. For example, one District Council noted that one of the villages in its district has a resident population of about 300 people. It has a long history of flooding which will be worsened by climate change. That location will also be impacted by increased sedimentation of the local river, the rising sea level, vertical land subsidence, potential sea level intrusion, plus more intense rain and storm events. Another submitter described the place they live noting that it has a significant number of houses on the beachfront at risk of coastal erosion, storm surge, and sea level rise, and has experienced a significant number of slips in recent years due to extreme weather events and flooding.

Issues with the existing retreat and adaptation system

53. Submitters generally agreed that the problem facing New Zealand is accurately described in the EWG report and issues and options paper.
54. Many submitters noted that New Zealand has aging infrastructure which leads to an inability to deal with landslips and flooding. There are also many properties that have been built in high natural hazard or climate risk areas, and in many cases consent has been granted by local authorities allowing this construction to occur. Submitters also highlighted there is an enduring view that risks are (and can continue to be) exclusively managed by engineering solutions, such as stop banks and other protective infrastructure. In the short-term, submitters thought there will be considerable pressure exerted on local authorities to continue to provide and invest in protective engineering solutions. However, it was also noted by many of these submitters that these engineering solutions do not address all risks that are anticipated or those that are likely to be exacerbated by climate change; they are probably a short-term solution, at best.
55. Many submitters also noted that land is often people's main investment and form of savings. They highlighted there is a widespread expectation that people will be compensated if they retreat, and that this expectation is underpinned by a number of precedents, including the response to the Canterbury Earthquakes and the response following the severe weather events in early 2023. Submitters also stated that land values generally do not yet take natural hazard risk into account and high land costs can deter local and central government from implementing (and compensating) retreat.

56. Many submitters observed that retreat is a contentious issue and there can be a lack of community appetite to retreat. Submitters thought there are a number of reasons people may not want to retreat. Reasons included that individuals may underestimate the likelihood and impact of risks, ignore or dismiss evidence that contradicts existing beliefs, rely on past experiences, or overestimate the relevance or importance of recent events and latest information. Dealing with complex and vulnerable communities were other reasons provided for why it can be challenging to implement proactive retreat, particularly where anti-government sentiment or mistrust exist within marginalised populations. Some submitters noted that people may not have anywhere safe to go if they need to retreat.

In Council's experience people share that place, identity, and a sense of belonging are closely interconnected. Over decades of engagement about land-use and funding for the impacts of climate change, the community have often sought to protect existing development rather than focus on longer-term plans designed to adapt our communities to our changing environment. For many people, managed retreat is not something they expect to deal with in their lifetime.

– Kapiti Coast District Council

57. Some submitters suggested there is a lack of comprehensive data and evidence to inform proactive retreat in advance of a natural disaster. A key problem raised in many submissions is a lack of available and complete data, information and modelling to carry out risk assessments and inform adaptation. It was noted that these issues are with both access to and quality of information.

58. Other submitters highlighted that little is known about the overall size of the adaptation challenge. They stated that this is in part because of the lack of a robust understanding of the climate science and public acceptance of that science and in part because New Zealand has not done the detailed work yet.

59. A few submitters noted challenges with funding essential hazard modelling data can mean the focus remains on the most evident natural hazard eg, river flooding. However, they also stated that less visible hazards (eg, rising groundwater tables) must also be considered to build a comprehensive hazard scape and plan accordingly.

60. Almost all submitters who commented on the issue stated that local government lacks the resources to tackle adaptation on their own. In particular, there are capacity and capability constraints (ie, insufficient adaptation practitioners and local government cannot afford to implement adaptation plans on rates alone). Submitters also highlighted that, where they do exist, there are challenges in identifying different funding and financing avenues.

61. Another issue raised by submitters is that there is no national framework for determining whether a particular risk is tolerable or intolerable. Coupled to this is a lack of clarity about who has decision-making authority to determine which overall level of risk is acceptable, which submitters considered makes risk assessment and the local adaptation process very difficult. More generally, ambiguity of roles and responsibilities for all facets of the natural hazard risk and climate adaptation system is an issue for submitters.

Simple and clear roles and responsibilities are of the utmost importance, as is adequate resourcing, building social cohesion and a wellbeing focus to strengthen community resilience, and building and maintaining trust and confidence in agencies. – Christchurch City Council

Wide support for the government setting clear direction on the process for carrying out local adaptation planning

62. Submitters highlighted that national direction should present a framework consisting of the core rules for adaptation planning in New Zealand, regional and sector-specific priorities, and flexible tools. Many submitters requested national direction that provides practical guidance on how to effectively engage communities. They said it should clarify when different levels of community involvement are most suitable and what communication is required, for example to inform property owners about risks and adaptation planning.
63. Some submitters considered national direction should cover roles and responsibilities. This could include how different people or groups are involved, responsibilities for funding retreat and other actions, and dealing with situations where responsibilities overlap between different councils or between councils and iwi, hapū and Māori communities. Other submitters agreed that any national direction should remain flexible enough to support integration of the local context.
64. Some submitters said central government should establish one single point of contact in the form of a single national agency that coordinates and sets out national direction covering resilience planning, adaptation, and recovery. Submitters also said there should be grievance or appeal processes that offer affected parties an ability to object, while avoiding unnecessary delays.

The adaptation system must be integrated with other legislative structures to make it efficient

65. Many submitters said that a key part of strengthening the approach to retreat is establishing comprehensive legislation. They stated that a new adaptation system could use parts of existing systems that work well and add new tools and processes. It should also cover risks from all natural hazards, not just those likely to be exacerbated by climate change.
66. Submitters agreed alignment is needed across multiple pieces of legislation, policies and processes to enable efficient and effective adaptation planning and implementation. A number of submitters provided examples of where they think alignment is needed, including with the Resource Management Act 1991 (RMA), Local Government Act 2002 (LGA) and Future for Local Government review, Building Act 2004, Climate Change Response Act 2002, Civil Defence Emergency Management Act 2002, Treaty settlement Acts, legislation related to utility providers and legislation related to the natural environment and heritage. For example, they said the Building Act 2004 could be amended to provide better opportunities to address inundation risk. Another suggestion was enabling the creation of stormwater drainage reserves through the Reserves Act 1977 and promoting water sensitive urban design and nature-based solutions.
67. Submitters noted planning timeframes as one area in particular where greater alignment would be beneficial. For example, the New Zealand Coastal Policy Statement requires consideration of the next 100 years, long term plans under the LGA are for 10 years, infrastructure strategies are for 30 years, and the Building Act requires consideration of the next 50 years.
68. Several submitters said that councils are already undertaking adaptation planning processes, including risk assessments which can be very expensive. They suggested that any new adaptation system ought to be able to take work that has already been done into account. It should not require significant rework and associated costs. Submitters also noted areas the system needs to improve. For example, one submitter said a number of the adaptation plans

currently being developed are relying on LGA or non-statutory processes, rather than the RMA, which suggests the RMA is not well equipped for adaptation planning. However, the LGA is also not a good fit because, as another submitter noted, the current special consultative process is not fit for purpose to engage communities in reducing risk and adapting to a changing climate.

69. Some submitters commented specifically about infrastructure. As one said, infrastructure is different from housing and other community facilities and therefore the regulatory response should be different. Submitters said funding models should recognise the upfront costs of building infrastructure and consideration should be given to funding the upgrade (or relocation) of community assets. Submitters said infrastructure providers should be involved early on in decision-making processes around adaptation and retreat. Some noted the role infrastructure providers may play in triggering or proceeding with a retreat discussion based on their own assessment of the costs and benefits of replacing or upgrading infrastructure.
70. Māori submitters supported an adaptation system integrated with existing legislation, noting there is a high degree of interconnectedness with other ongoing environment work (such as resource management and local government reform). Submitters stated this needs to be managed by also enabling and providing for iwi, hapū, and Māori voices and agency across issues and for respective takiwā. Submitters also noted the importance of safeguarding Treaty settlement legislation.

The resource management system inhibits the ability to enable adaptation actions

71. Many submitters noted that the RMA has a number of limitations that inhibit adaptation and retreat. It fails to prevent continued development in at-risk land and has difficulty requiring proactive action be taken to reduce existing risk. They also said adaptation should be a factor to be considered throughout resource management processes, with specific requirements for particular adaptation actions and retreat. Several submitters discussed various features of the repealed Spatial Planning Act 2023 they thought would be useful for adaptation planning, including regional spatial strategies (a way to encourage long-term, proactive planning) and implementation plans (a basis for documents that assign responsibilities for funding).
72. Submitters also commented on national direction under the RMA. They noted that the various overlapping national policy statements in the current system cause tensions between competing priorities (eg, a desire for more housing balanced against the need to manage risk and not build in at risk places).

Barriers exist that make it more difficult for Māori to engage in adaptation systems

73. A number of submitters noted that at the local government level a lack of consultation and engagement combined with insufficient resourcing are key issues affecting the ability of Māori to participate generally, but in adaptation discussions in particular.
74. One submitter was concerned that councils are making decisions on adaptation and mitigation without input from the communities most affected. They suggested it is important for local government to work with tangata whenua to ensure that adaptation actions do not have negative downstream effects for Māori or ensuring that relocation avoids at risk locations.

75. Submitters suggested that risk assessment, engagement, and planning processes should be designed with mana whenua as this would help provide decision-making and inclusion safeguards. Submitters stated that mana whenua need to be resourced to provide advice and information; this is critical specialist advice and should be funded as such.

There are challenges that limit the ability to retreat pre-event and a lack of an enduring system

76. Several submitters stated that while some communities may have adaptation plans, implementation is problematic due to a lack of clear guidance about local government's role in adaptation and cost sharing. They stated that these adaptation plans are prepared at the initiative of communities or local government; there is no legislative requirement for them to be prepared or guidance on how they should be prepared. Some submitters highlighted that the discretionary nature of adaptation planning results in it being postponed in lieu of prioritised statutory work programmes in some councils due to resource constraints.

The existing resource management system lacks the tools and processes for managing the unprecedented uncertainties and complexities experienced in proactive adaptation and planned relocation. – Te Kōkiringa Taumata | New Zealand Planning Institute

77. A wide range of submitters considered that the current system has a number of problems, including:

- it is not well configured for acquiring land exposed to natural hazards or sea level rise in the circumstances of pre-event managed retreat
- territorial authorities could potentially be liable under the common law of negligence for granting building and resource consents for development in high-hazard zones
- there are no appropriate zoning options for managing land that has been retreated from
- consent requirements can effectively require maladaptation (eg, requiring a seawall or piece of infrastructure to be rebuilt after being damaged in a storm).

78. Many submitters stated that central and local government have focused on response and recovery rather than a proactive response or pre-emptive retreat. Post-event responses have been on a case-by-case basis relative to the magnitude of the consequence of the event. The shared view of submitters who commented on this is that ad hoc responses are unsustainable and create uncertainty. They may also set unaffordable precedents that cannot be repeated in future. One submitter stated that while a retreat was implemented in Matatā, the time, cost, complexity, community frustration and general uncertainty means this process should not be used as a blueprint.

79. Submitters highlighted that the lack of national direction is causing ongoing uncertainty and fragmented approaches. There was widespread support from submitters for urgently developing climate adaptation legislation that provides a clear and structured national framework. They also highlighted the need for cross-party support for an enduring system.

80. A few submitters stated there is no clear vision of what New Zealand is trying to achieve with its adaptation response. One submitter suggested an overarching strategy for adaptation should sit above other considerations such as retreat and adaptation funding and have an agreed set of principles to guide actors in the system.

Failing to adapt will incur significant costs

81. A key issue raised by many submitters is a lack of funding, resourcing and capacity to carry out adaptation activities. Submitters noted that these constraints span right across the adaptation system including with data collection, risk assessment, community engagement, planning processes, investments in mitigations and when carrying out retreat.
82. Submitters discussed the costs that might accompany a failure to adapt, such as the costs for individuals that will arise directly from small events (eg, nuisance flooding) and major disasters. Submitters noted these events will pose risks to mental and physical health and safety and that major events could result in loss of life. Some submitters acknowledged there is also likely to be physical and mental health risks to emergency responders. Many submitters stated there will also be increased costs to individuals, communities, local government and the Crown for disaster response and recovery, particularly if the ad hoc approach persists.

Our communities are already facing the impacts of climate change compounded weather events and the longer we wait for guidance on adaptation and community-led retreat, the higher the likelihood that a disaster will occur, and haphazard retreat will be forced. – Whanganui District Council

83. Submitters also identified a range of socio-cultural, environmental and economic costs. Failing to adapt could lead to social trauma, social disruption and loss of social cohesion, loss of culture and cultural heritage, deterioration of living conditions, and loss of recreational opportunities.
84. Submitters stated there could also be a loss of food supply, loss of biodiversity, damage to ecosystems and negative impacts on natural resources. Economic losses identified by submitters included business closures, job losses, reduced tourism confidence and revenue, reduced investor confidence and damaged infrastructure.
85. Submitters felt the costs would probably fall unevenly across society and generations and as a result might exacerbate inequities and increase vulnerability for marginalised communities. They stated this could include further displacement of Māori landowners.

Climate change will have significant impacts for Raukawa. It will impact on our atua, and the interactions they have within the taiao. It will impact our ability to read the taiao including ngā tohu o ngā atua. It may damage our culturally significant places and pose a risk to our taonga species and our ability to manaaki in the ways we are used to. Climate change may compromise our ability to pass on mātauranga if our taonga are lost. – Raukawa Settlement Trust

86. Submitters identified that failing to adapt could also result in costs to local and central government, infrastructure providers and insurers. Community expectations around funding may become unrealistic for local and central government to afford. Many submitters noted that local government resources may be stretched across competing priorities, including business-as-usual, disaster recovery and future risk and adaptation planning. There could be increased pressure on governance to address growing and complex community needs. Investing in infrastructure may become too great an economic burden and there will be increasing pressure on insurance and re-insurance availability and the affordability of insurance.

There are risks to wellbeing and of increased marginalisation

87. Many submitters observed that a range of different groups are particularly affected by climate change, natural hazards and disasters. A few submitters highlighted the impacts on Māori including that Māori communities will endure harsher impacts of climate change due to the pre-

existing intergenerational impacts of colonisation, land dispossession and historical grievances. The Māori Trustee noted that approximately 82 per cent of the trusts in their portfolio have a portion of land located in low-lying areas and within 1km of a waterway. This equates to 31 per cent of the trusts' combined title area.

88. A few submitters described the impacts on disabled people, for example, that climate change amplifies the marginalisation experienced by persons with disabilities. This includes health impacts, reduced access to healthcare services, food, water, and accessible infrastructure. They stated that during emergencies, disabled people may struggle to get around, access shelter, and are disproportionately more at risk of higher mortality rates.
89. One submitter outlined the impacts on women. They stated climate-related displacement can disrupt access to family planning facilities and gender-based violence protection services. Increased food insecurity because of extreme weather can exacerbate the risk of stillbirth and severely impact maternal and newborn health.
90. Other submitters discussed factors that may make individuals more vulnerable or marginalised. One factor highlighted was financial literacy and the ability of individuals to accurately understand their financial position and ability to adapt. Another was the ability to read, write and understand the implications of the necessary paperwork for retreat and other adaptation measures. This will also impact on the ability to participate meaningfully in adaptation planning.
91. A number of submitters stated trauma and mental health issues can be significant post-disaster and can be a barrier to engaging in recovery and ongoing adaptation planning. One submitter noted anecdotal reports that two years after the Buller floods local social service providers are experiencing an increase in waitlists due to both an increase in demand and the complexity of cases requiring longer and more complex interventions. Some submitters from Canterbury also commented on their experiences following the earthquakes and noted how stressful and complex the relocation process was.
92. Some submitters offered suggestions to improve wellbeing. They suggested adaptation must be considered within the wider context of existing wellbeing and equity challenges. A greater emphasis needs to be placed on creating a framework that is people focused and prioritises community wellbeing. Other suggestions included that communities, social services and health agencies should be engaged in adaptation planning to ensure a social policy (and not just land-use planning) approach is taken. One submitter also noted that certainty around the response by local and central government will reduce anxiety.
93. The submissions of the Royal New Zealand Society for the Prevention of Cruelty to Animals Inc and HUHA (Helping You Help Animals) highlighted the wellbeing implications of animals in at-risk locations, noting that the presence of domestic animals and livestock in at-risk locations can also exacerbate the risk to their owners and farmers as those people will be very motivated to protect the welfare of their animals. Both organisations urged consideration of these impacts during policy formulation.

Section 3: Outcomes and principles

The issues and options paper proposed a set of principles and outcomes for retreat and another set for funding adaptation. These were informed by feedback gained from earlier consultation and principles and outcomes floated in the EWG report.

Submitters were asked to provide comment on what they viewed as the most important outcomes and principles for retreat and for funding adaptation.

Outcomes and principles for a retreat system

Outcomes

94. Submitters expressed a variety of views regarding potential outcomes and principles for a retreat system. Many submitters generally agreed with the outcomes listed in the issues and options paper and EWG report. These were:

Table 1: Outcomes for retreat from issues and options paper and EWG report

Issues and options paper outcomes	EWG outcomes
Increase physical and psychological safety	People must be kept physically and psychologically safe
Ensure roles and responsibilities are clear	People must have access to adequate and affordable places to live.
Ensure access to the range of powers needed to retreat	People must have the opportunity to build more secure and resilient futures and to maintain or enhance their well-being.
Ensure equity between and within communities and generations	Socio-economic inequalities must not be exacerbated and need not be preserved.
Give effect to the principles of Te Tiriti	Risks from climate-related and other natural hazards should be reduced.
	The rights and interests of Māori must be respected and given effect.
	Environmental standards must be met, and ecological values must be protected.
	Opportunities for improvement should be realised (eg, in relation to housing, infrastructure, transport, and urban form).

95. A common outcome raised by submitters was the need to reduce exposure to risk and ensure the physical and psychological safety of people. However, some submitters noted that an outcome to increase psychological safety could be problematic because it is unclear and could lead to moral hazard. Multiple submitters noted that any outcome for physical safety should be expanded to include wellbeing, and this could incorporate social, cultural, economic and environmental considerations.

96. Another outcome considered of high importance by many submitters is ensuring people and communities are suitably and well supported through processes that are inclusive, fair, consistent, and equitable between and within communities and generations. Some submitters were also of the view that decision making should lead to positive socioeconomic outcomes for those involved in adaptation processes and prevent the creation or exacerbation of inequalities, hardship and wealth disparity. Positive outcomes include ensuring everyone has an adequate and affordable place to live.

97. Some submitters thought that outcomes and principles should consider or prioritise future generations, vulnerable and marginalised groups, and tangata whenua. A few submitters discussed the role of outcomes in building and maintaining strong community relationships and supporting communities to stay together. Some submitters commented on a need to respect or preserve cultural heritage.

98. Some submitters made suggestions for other outcomes, including:

- opportunities for building back better are realised where feasible
- ensuring co-benefits are maximised (ie, ecosystem rehabilitation and/or nature-based protective mechanisms)
- limiting fiscal risk to local authorities and infrastructure providers on the basis that local authorities cannot afford to compensate landowners at a large scale.

Principles

99. Many submitters made recommendations regarding principles that could be applied to retreat processes. Many submitters expressed support for the principles in the issues and options paper and EWG report. These were:

Table 2: Principles for retreat from issues and options paper and EWG report

Issues and options paper principles	EWG principles
Ensure processes are fair, flexible, efficient, timely and transparent	Be informed by the best available evidence and expert advice
Ensure decisions are evidence-based, accepting there will be some uncertainty	Reflect important community values and aspirations
Minimise perverse incentives (such as the potential incentive for decision-makers to defer hard decisions to other decision-makers)	Take a proactive and precautionary (ie, cautious and risk-averse) approach to the timing and pace of relocation, despite the absence of perfect information
Ensure that the circumstances are clear in which decision-makers are or are not legally liable	Provide certain, timely and predictable outcomes
Involve communities in decisions that affect them	Be adaptable to meet the pace, scale, and variable circumstances of relocation
Ensure iwi, hapū and Māori are represented in governance and partner with the Crown on retreat processes and outcomes for iwi, hapū and Māori	Be simple to operate and minimise compliance costs
	Minimise moral hazard and other perverse incentives
	Give effect to Te Tiriti o Waitangi (Te Tiriti) and honour the intent of settlements
	Comply with the New Zealand Bill of Rights Act 1990 where applicable

Issues and options paper principles	EWG principles
	Maintain the sound functioning of markets (eg, in relation to property, construction, insurance and banking)

100. Other potential principles with similar themes were noted by several submitters including:

- consensus and empowerment
- preventing small groups or individuals having a disproportionate influence over decisions resulting in harm for many
- considering future generations.

101. Another key theme that was mentioned by multiple submitters was a principle of proactivity and to shift the focus from post-event to pre-event adaptation.

102. Several submitters highlighted the need to have more granular principles for specific aspects of adaptation and retreat. For example, one submitter recommended a separate set of guiding principles for voluntary and involuntary retreat. They also recommended guiding principles on compensation, a shared mandate between central and local government, and providing economic opportunities for displaced populations.

103. Several submitters discussed the need to move towards a Tiriti-based approach which reflects partnership with iwi, hapū and Māori and ensures Māori rights and interests are respected and protected. Submitters acknowledged that the principles of Te Tiriti o Waitangi should be given effect to, including recognising and enabling the exercise of tino rangatiratanga. Some submitters also stressed their view that Treaty settlements should be honoured, and that adaptation policy should recognise and respect mātauranga, Māori culture and identity.

104. In addition to a need for principles to allow for flexibility and adaptability, many submitters thought that as much certainty as possible and transparency are important principles. A focus on the long term, rather than only on short-term resilience was another point made by some. There was significant support for principles requiring the use of evidence-based approaches and provision of quality, up to date relevant information to enable informed decision making.

Outcome and principle suggestions for specific aspects of the system

105. Many submitters suggested outcomes and principles related to the question of roles and responsibilities under a retreat system. For example, some suggested a principle that individuals or beneficiaries should be responsible for managing (or contributing to) the management of the risks that affect them. Others discussed a need for risks and responsibilities to be shared appropriately across all parties.

106. For the question of planning and decision making, several submitters stressed the need for active community engagement and ensuring communities have a say in what happens. Some went further and suggested a place for the principles of subsidiarity and self-determination. Several submitters also commented on the need for iwi, hapū and Māori communities to be involved in or lead adaptation planning and decision making.

107. Some submitters suggested outcomes and principles relating to sustainability and the natural environment. For example, a principle framing retreat as an opportunity to improve sustainability or restore ecosystems and to prioritising nature-based solutions.

Outcomes and principles for funding

108. There was general agreement with the outcomes and principles relating to funding as stated in the issues and options paper.

Table 3: Outcomes and principles for funding from issues and options paper

Outcomes	Principles
Reduce hardship	Incentivise better decisions
Ensure equity among communities and across generations	Minimise perverse incentives (such as the failure to reduce risk due to the likelihood of receiving increased financial assistance)
Reduce long-term costs	Prioritise supporting vulnerable individuals and groups, when the government intervenes
Shift focus of investment from post-event to pre-event adaptation	Provide clarity and certainty about how costs, risks and responsibilities will be shared
Give effect to the principles of Te Tiriti	Ensure those who benefit contribute to costs

109. Some submitters also supported the comments the Expert Working Group made in relation to outcomes and principles for funding.²

110. Many submitters commented that funding principles and outcomes should promote equity and avoid exacerbating existing inequities. They said equity (economic, social and cultural) must be a key principle. Specific recommendations were made about principles to prioritise the most poor and vulnerable communities and ensure equity among communities and generations.

111. Some also noted that renters, not just property owners, need some security. There was some support for a beneficiary pays principle, but some submitters noted that beneficiaries may not always be able to pay, and it may be difficult in some situations to identify who the beneficiaries of any particular adaptation action are. Submitters also discussed the need to consider the extent to which landowners were aware of risks when they made investment decisions, and the impact that should have on funding.

112. Another outcome many submitters considered particularly important was 'shift focus of investment from post-event to pre-event adaptation'. Some submitters noted funding should have a long-term focus and be predictable, including that funding be must sustainable over the long and ongoing period in which managed retreat will be required.

113. Several submitters discussed the incentives funding can create. They noted funding mechanisms must incentivise the right action (ie, risk reduction) and not create perverse incentives. Submitters noted that perverse outcomes could include preservation of wealth, protection of ownership rights or reward of speculative purchases. Submitters raised that funding approaches could also force decisions to stay or incentivise vulnerable groups to move into high-risk areas.

² See 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. Paragraph 5.4 – 5.12.

Section 4: Risk assessment

The issues and options paper described why risk assessments are an important first step in the adaptation process providing both an understanding of the risks posed by natural hazards and a trigger for action. Key to this section was a proposed three-stage risk assessment process involving a high-level screening followed by two further stages of detailed assessment.

The paper posed several questions on risk assessments including stages and scale, frequency of review, risk tolerability and roles and responsibilities for carrying out risk assessments.

Need for risk assessments

114. Most submitters agreed risk assessments are a critical part of the adaptation process. They also suggested that the current system does not deliver what is necessary. Overall, submitters agreed risk assessments, underpinned by clear and binding national direction, should be a mandatory part of the adaptation system.

Assessing the risks arising from the effects of climate change and natural hazards is an essential step in the adaptation process. An assessment of risk allows us to understand what we need to respond to, and why. – Te Kōkiringa Taumata | New Zealand Planning Institute

Quality of risk assessment

The quality of risk assessments is inconsistent and risk assessments need sufficient resourcing

115. Many submitters noted that the lack of national direction on risk assessment is a fundamental issue with New Zealand’s current approach to climate change and natural hazards risk assessment. It impacts on the quality of risk assessments as it creates inconsistent approaches to identifying and assessing risks across regions and generates uncertainty in decision making.

116. In addition to clear national direction, some submitters suggested a central, unified, and consolidated data source would support a nationally consistent approach to risk assessments. This would minimise duplication and support the use of comparative data. The data should be easily accessible to practitioners, agencies, and the public.

117. Submitters also noted the quality of risk assessments will depend on the risks that are being assessed. It was noted physical risks are not the only ones that should be assessed and planned for, as the impacts of climate change will result in risks to wellbeing, the economy, and many aspects of society. However, several submitters noted comprehensive risk assessments, such as those that are suitable for adaptation planning with communities, can be expensive and resource intensive. Resources to support capacity building are required.

Standardisation

Standardising our approach to assessing risk

118. Most submitters thought risk assessments should be mandatory, and that this should be supported by clear national direction and standardisation. Several submitters observed New Zealand currently employs a range of outdated methodologies in assessing risk. These include extrapolating risk from historical records that may be inaccurate or incomplete, or using subjective opinions rather than evidence-based data. A response to this should be to strengthen risk assessments by introducing more standardisation and a consistent approach to all natural hazard risks.

119. Some submitters said that central government has a role in mandating an agreed risk framework and process in legislation, including a prescribed methodology based on internationally recognised best practice. They considered the approach should include regularly reviewed standards, agreed criteria and risk thresholds, clear roles and responsibilities, and standardised grievance processes.

Robust, nationally consistent, mandatory risk assessments are the cornerstone of a new national framework for climate adaptation.... we need a standardised risk assessment methodology and nationally agreed descriptors of risk thresholds, for example defining low / medium/ high – Taituarā - Local Government Professionals Aotearoa.

120. Several submitters said a nationally consistent approach should assess risk at the national, regional and local level. Some submitters also noted it is important to maintain a level of local flexibility within a nationally consistent approach. This would recognise the progress that has already been made at regional or local level.

It is important to note that some local authorities around New Zealand have made significant progress on adaptation planning with their communities. These authorities should not be disadvantaged through the introduction of central government guidance or required to duplicate work they have already undertaken. – Porirua City Council

121. Some submitters stated that, when assessing risk to communities, it is essential to engage with those communities on the risks to their collective and individual goals, social cohesion, and health and wellbeing.

When discussing 'community-led' retreat, it is essential to involve the community at the most suitable and impactful stage of the risk assessment process. This approach ensures that there is sufficient climate science and risk identification information available to inform the community. It also allows for the integration of the community's input into specific aspects of the risk assessment, such as assessing consequences. – WSP in New Zealand

122. Submitters said central government should provide support to local government, potentially in the form of centralised expert resources or guidance, on how to start, build and maintain deliberate conversations with communities. Some submitters stated specialist support is needed to work with scientists, risk professionals and communities, especially when conveying technical information related to natural hazards, risk assessments, and adaptation options to the public.

123. Submitters also suggested central government should standardise, manage, and provide tools for data generation and modelling, including accessibility, on a national basis. Alternatively, or additionally, it should provide national-scale high resolution hazard data. Central government

could also maintain a database of all research and projects relating to hazard risk in order to minimise duplication and wasteful lack of comparative data.

Local organisations

124. Many submitters had different ideas about which local organisations should carry out risk assessments, including regional councils, expert panels, territorial authorities and mana whenua, or combinations of these groups. A few submitters suggested that a flexible approach should be taken considering what will work best for particular communities. Some regions and districts have existing relationships established for this type of work and a one size fits all approach would not work for all communities.

Role of technical experts

125. One submitter noted that the question of who should undertake risk assessments, eg technical experts or with some degree of community involvement, has been hotly debated for decades. To an extent this was reflected in the submissions. Many submitters considered a risk assessment to be a highly technical exercise and should be undertaken by technical experts.

In our experience, the assessment of risk has been largely a technical one (understanding the likelihood of various future coastal erosion and inundation scenarios and their respective consequences). This is distinct from what communities might consider tolerable or intolerable risks. – Clifton to Tangoio Coastal Hazards Strategy Joint Committee

126. However, many other submitters thought that communities, and iwi, hapū and Māori should contribute to assessments given their local knowledge. Others suggested that community input would be useful for aspects of the risk assessment such as assessing vulnerability and adaptive capacity or risks to cultural heritage.

127. In summarising the current thinking on what has been a “long standing” debate it was noted that many now think that communities should have a role, given trust in the assessment is needed so it can be used as the basis for adaptation planning.

... it is worth noting that a risk assessment, in itself, is of little value. It is how it is used that provides value. And that, in turn, depends on trust. – Adam Childs

Stages and scale of risk assessment

128. Many submitters agreed that a three-stage risk assessment was needed to inform adaptation planning.³

129. There were different ideas about what each stage would cover. However, in general there was agreement that an assessment should start at a higher level and then move to more granular detail or begin with hazard identification and then move to analysis and prioritisation and implementation of mitigations. A few submitters also recommended a fourth stage, either to engage the most at-risk communities about options and pathways for response or to carry out a property level assessment.

³ Ministry for the Environment. 2023. *Community-led retreat and adaptation funding: Issues and options*. Wellington: Ministry for the Environment. Paragraph 123 – 127.

130. Several submitters also stated that while a regional level risk assessment should usually be completed first, there will be some instances where smaller scale assessments need to happen first (for example if it is already known an area is at high-risk) and these could inform a regional risk assessment.

131. Some submitters were supportive of risk assessments focusing only on physical risks, while others thought that the process should also include social and cultural risks, particularly when the risk assessments were undertaken at a more granular level.

Frequency of risk assessment review

132. Submitters had different ideas about how often risk assessments should be reviewed. For example: it could be every three or five years, six years, or every decade. Many submitters provided reasoning for these timeframes such as linking to other planning review timeframes, including central government planning (eg, long term plans, the national climate change risk assessment, or the national adaptation plan).

...the time period for reviewing a particular risk assessment could be left open and flexible based on events (trigger points are reached to prompt a review) and locality with a guideline of 3-5 years to tie in with council timeframes. – Clifton to Tangoio Coastal Hazards Strategy Joint Committee

133. However, many submitters agreed that whatever timeframe is chosen, there should be factors that trigger an out of cycle review. Examples of suggested triggers include a major natural hazard event, new information or technological advances and policy updates. One submitter suggested review times should be on a case-by-case basis.

We suggest that where risk is deemed to be low that a risk assessment is conducted every 10 years, 5 yearly where there is moderate risk, three yearly for areas of high risk and where extreme risk exists annually. It is also worth considering not just rare and highly impactful events in assessing risk, but also smaller and more frequent events which in their totality may make certain areas intolerable to live in. – Te Kahui Inihua o Aotearoa The Insurance Council of New Zealand

Mātauranga-based framework for risk assessment

134. Most submitters supported the need for a local mātauranga-based framework to be included in the methodology for risk assessments and acknowledged the value it would bring to risk assessments. Many submitters acknowledged the importance of both mātauranga and western science in informing risk assessments.

Mātauranga Māori solutions and Māori leadership, in partnership with Western science or ways of thinking, are increasingly proving to create unique and multi-dimensional benefits and solutions to issues. – Ellen Tapsell

135. A few submitters challenged this, suggesting that mātauranga does not have a place within risk assessments or stating that there is an irreconcilable conflict between mātauranga and western science.

136. Many submitters emphasised that mātauranga is unique to each iwi and hapū, therefore a holistic approach is required for mātauranga-based frameworks, emphasising that these do

need to be localised and that there is no one size fits all approach. Some submitters noted their view that mātauranga Māori can only be applied by Māori, mātauranga belongs to Māori and it should be up to each individual iwi or hapū to implement as they see appropriate. Submitters highlighted the need for processes that enable Māori to do this effectively in a way that also protects the mātauranga to ensure it is used and interpreted respectfully and correctly.

... it must also be recognised that mātauranga is taonga and a gift that may or may not be freely given or expected. As such it can only be required to be factored in to planning where it is offered. – Beca (Environmental, Engineering and Resource Management Practitioners)

137. Submitters noted a strong understanding of Te Tiriti o Waitangi at both local and national levels is an important starting point for how a mātauranga-based framework could work effectively. Submitters stated that sufficient resourcing and support from central and local government is required to build trust, relationships, and capacity with the holders of the mātauranga. Some submitters also noted appropriate data platforms are needed for capturing, storing and interpreting mātauranga, and funding is required for mana whenua to delve deep into their mātauranga, noting that for some iwi and hapū this may be diminishing due to historical displacement of their people.

Section 5: Local Adaptation Planning

The issues and options paper identified local adaptation planning as a critical factor in successful adaptation. It noted that current practice has resulted in a wide variation in the quality and methodologies of local adaptation planning processes. It also noted that, while there are many good examples of local adaptation planning taking place across New Zealand, this appears to be an area in which there is a need for clearer direction as part of an adaptation system.

Submitters were asked a number of questions including whether there should be a requirement to undertake local adaptation planning and, if so, what an appropriate trigger would be. Other questions included the level of direction that should come from central government, whether it is important to plan for different scenarios, how inclusive it should be and who should make the final decisions.

Undertaking local adaptation planning must be a statutory requirement

138. Submitters generally supported making local adaptation planning a statutory requirement at the local government level. One noted a key driver inhibiting progress on local government climate action has been the lack of regulatory mandate to act, especially when weighted against other statutory priorities (ie, preparation of district or coastal management plans).

139. No submitter was in favour of local adaptation being an opt-in planning process for councils, with all comments on the obligation for carrying out adaptation planning being in favour of a mandatory requirement. However, it was noted by many submitters that it is essential that key enablers for undertaking local adaptation planning, such as adequate funding and clarity in roles and responsibilities, also be provided for by legislation.

Scenario planning is required as risks evolve

140. Several submitters noted the system needs to make decisions about long-lived assets and the location of people and their recovery from extreme events, in the absence of complete knowledge of the timing and location of some of these.

This poses a real challenge because the decision tools we currently use are not fit for this rapidly changing and uncertain world. Also the ability of decision making to keep up with the changes is too slow. We also keep making decisions as though the world is not changing, and we use tools that freeze activities in time and space, like treating scenarios of the future as predictions and creating lines on maps for 10 years in district plans when the climate impacts are becoming more frequent. – Dr Judy Lawerence

141. An adaptive planning approach (such as that described by the Dynamic Adaptive Pathways Planning (DAPP) process) was preferred by most submitters who commented on whether there should be a requirement to plan for different scenarios. Submitters noted changes in the level of risk (due to climate change and other factors) would necessitate scenario planning, especially

where the impacts of exacerbated climate impacts are not fully understood. One submitter highlighted the importance of communicating that scenarios are not fixed predictions.

Scenario planning should be designed to get people thinking about possible futures, based on good data and analysis, rather than defending or trying to protect the status quo. – Pukerua Bay Climate Action Group

142. It was suggested by another submitter that a statutory adaptation framework should require development of both a pre-emptive DAPP strategy and a post-event DAPP strategy (given a pre-agreed threshold of damage or harm), so that the twin DAPP strategies could work in harmony with full knowledge of those potentially affected in the medium-to-long term by ongoing climate change and sea-level rise or earlier, via a short circuit process if an event occurs.

Triggers for planning are important, but difficult to establish

143. Submitters generally agreed that adaptation planning should be required where specified level of risk is reached (a ‘risk tolerance trigger’), noting that planning is intensive on both time and resources, and should be phased in according to risk. One submitter noted a key part of the DAPP process favoured by councils is defining a series of signals and triggers that require action to be taken. Some submitters raised concerns over the level at which risk triggers would be agreed upon. Noting that if decided too locally, triggers could be influenced by communities’ perception of the risks, leading to national inconsistency.

Planning processes should promote inclusion and community engagement

144. Inclusive community involvement, community engagement, and collaboration were widely supported by submitters, who acknowledged the importance of bringing as many voices as possible into the conversation.

NZBA strongly believes in community involvement in climate adaptation decisions at every stage. Collaborative and constructive engagement with local experts and affected communities can lead to equitable solutions. Collaborative efforts with the insurance sector, which confronts similar challenges (though of varying magnitudes), would enhance the efficacy of such engagements. NZBA endorses a system that provides for community and stakeholder involvement. – New Zealand Banking Association

145. Submitters suggested that enabling communities to have a sense of ownership over their adaptation decision-making process is important. It was also noted that engaging early is important, so that people are clear on their role, how they can contribute, and how decisions will be made. Most submitters advocated for inclusive planning to ensure that vulnerable groups are represented within engagement strategies. Submitters agreed it is essential to determine appropriate engagement methods, with mechanisms that are versatile and tailored to the intended audiences, enabling meaningful engagement and giving vulnerable communities a platform to voice their concerns. Some submitters expressed weariness over relying solely on traditional methods of public engagement, noting that these often see low attendance and diversity. Exploring other options is important.

146. Submitters also noted that currently councils do not necessarily have the capacity and resources needed to engage with affected communities on adaptation planning. This is due to the likely intensive nature of the planning process (although it was also acknowledged that usually

councils are doing their best). As noted by one submitter, engagement can be challenging due to limited budgets, and it is a complex process where you must cater for multiple audiences.

There is also the challenge that many people outside of residents, property-owners or businesses, have a strong connection to this part of the city. Engagement at this scale will be resource intensive and requires a range of multi-disciplinary expertise (capability and capacity) but must be prioritised to achieve outcomes that reflect the diverse views, values and aspirations of community, mana whenua and council. – Otago Regional Council

147. Many submitters also noted the importance of information being provided to the community to inform decision making and that this should take a variety of forms. This might include providing opportunities for the information on present and future risks to be explained in person, or for the community to join brainstorming sessions on possible solutions. There was a general sense that communities need to be educated about what adaptation is and how it is different from disaster or emergency responses. Other topics to improve general knowledge of include: the need to undertake adaptation planning, the need for everyone to be involved, and the economic benefits of pre-emptive retreat compared to post-disaster recovery. Many submitters indicated that people should be made aware of the implications of staying in a disaster-prone area, including the costs that may fall to them.

Opportunities exist to support Māori engagement and participation in adaptation processes

148. There is widespread support across submitters for a Tiriti-based approach to adaptation. At a high level, submitters noted, in their opinion, this means giving effect to the principles of Te Tiriti o Waitangi, integrating mātauranga and te ao Māori systems as a whole across the system, and providing sufficient resourcing to iwi, hapū and Māori communities. Overall, feedback from submitters directly and indirectly asked for a holistic, flexible approach to provide for the diverse range of needs and values of iwi, hapū and Māori communities. The Nelson Tasman Climate Forum considered that a Tiriti-based approach is one:

Where Māori rights to land, kai moana and other Treaty-based rights are respected and acknowledged and Māori are therefore key decision-makers when risk adaptation is being planned and implemented. Treaty-based rights and obligations will also need to be balanced against the need for evidence-based responses to climate change risk that take into account non-Māori community needs. Genuine consultation and information sharing with iwi, hapū and local whānau need to occur at every step of the process.

149. Several submitters suggested that the provision of resourcing for iwi, hapū and Māori communities is a core element underlying the ability of a successful Tiriti-based approach to adaptation being implemented. Collaboration, representation, and decision-making powers were also noted by submitters as key aspects of a Tiriti-based approach to adaptation. They stated that Māori need to be represented at appropriate levels in all adaptation planning and decision making. Māori should also have decision-making powers over their own interests.

150. A number of other practical suggestions were made, including:

- stating in any adaptation legislation that both the Crown and local government agencies are partners in relation to Te Tiriti o Waitangi
- that a fund be established for Māori to support adaptation planning
- accommodating for Takiwā boundaries
- supporting and providing for the preamble of the Te Ture Whenua Māori Act 1993.

Decision making

151. Submitters highlighted that decisions should be made at the most appropriate level instead of being arbitrarily centralised and removed from the communities they affect. Many submitters noted the importance of communities being integrated in the decision-making process in order to facilitate a sense of ownership, trust and ‘buy-in’. However, it was acknowledged that central government will have to play a key role in the system and many communities could not engage in adaptation planning without significant support. Others highlighted that decision making should not be left to technical experts without reference to the wishes of the affected community. Moreover, it is important decisions are consistent nationally, across regions and linked to funding.

152. Multi-stakeholder decision-making bodies were noted as a preferred option by many submitters, with potential membership groups from territorial authorities, central government, iwi, hapū and Māori communities, and community groups mentioned as priority stakeholders. Other potential stakeholders mentioned by submitters included infrastructure and service providers.

153. Submitters supported central government involvement in decision making, with a clearly defined role in setting national direction for adaptation planning and decision making, providing resourcing and technical expertise when required, and in ministerial approval for retreat decisions. Some submitters expressed interest in a central government ‘adaptation agency’ to make decisions on essential services outside of a commercial context.

154. No submitter supported having central government detached from the decision-making process entirely, preferring responsibility to be delegated to the community level, with central government oversight. Local government decision making was the preferred method for most decision-making responsibilities. This would build on the existing relationships and knowledge of local communities, and existing related responsibilities. No submitter wanted to see local government detached from adaptation decisions.

155. Several submitters showed strong support for mana whenua to have a key role in decision making, and no submitter suggested they did not support mana whenua involvement in decision making over whenua Māori.

We endorse the principle that iwi and hapū have the right, and are supported to make their own decisions about their lands, taonga, tikanga, mātauranga, culture and values, and to determine their own futures as mana whenua and kaitiaki. This includes decisions about the nature and scope of partnerships with central and local government agencies and other entities working on climate adaptation. – Te Runanga o Ngāti Rarua

Section 6: Retreat

The issues and options paper noted that there is no enduring and comprehensive system for retreat and discussed the problems this raises, including the risk of disorganised withdrawal of affected people, communities, businesses and services from at risk areas. It also discussed the increased hardship this might cause.

The questions focused on outcomes and principles, land use post retreat, powers to implement retreat, withdrawal of services and protection from liability. It also asked submitters if they preferred design of a retreat system that is voluntary or one which contains a mix of voluntary and mandatory parts.

The need for a retreat system

156. A large number of submitters stated that there is an urgent need for a comprehensive adaptation system that enables retreat as well as aligning it with other adaptation options.

There needs to be a clear national framework and legislation that enables communities to adapt to the impacts of climate change, including retreat and relocation. It needs to address all hazards, have long term planning horizons, take a wellbeing approach, and create the social licence, tools and funding arrangements for a nationally consistent and affordable approach to climate adaption. One that improves equity and enables a just transition, particularly for iwi, hapū, Māori. – Taituarā – Local Government Professionals Aotearoa

157. There was also a general consensus that the current system is inadequate, and several submitters noted some disappointment that work towards a retreat system is not more advanced. Submitters considered it should be urgently prioritised in order to provide much needed certainty.

Post event-retreat has been the norm to date – there is a pressing need to shift to planned retreat. Often the current planning timeframe is too compressed because rebuild demand is immediate in the wake of events. Pre-emptive planning is needed beforehand – and mechanisms (including policy direction) to allow this to happen are needed in the planning framework. ‘Build back better’ should not be ‘build back faster’. Planning in advance enables more timely, considered and sustainable action. Where risk is intolerable, pre-event retreat should take place in order to move communities out of harm’s way. – Executive Committee of Manatiaki Kōawa, the New Zealand Rivers Group

Options for a retreat system

158. All submitters who commented on this point supported a retreat system that contains a mix of voluntary and mandatory parts, although there were differing views on when a mandatory retreat would be justified. There was a general view that there would be a time and place for different options and a well-considered framework for decision making would support this.

Experience has taught us that a purely voluntary system for managed retreat will not work and that risk, particularly for vulnerable communities, will not be reduced if a voluntary system is pursued. People should not be able to choose to stay once a retreat process ends. Ratepayers and taxpayers should not have to continue to meet the cost of providing services to a small number of people who desire to remain, nor should they have to pay for the response and recovery when disaster strikes. While voluntary buyouts and relocation are preferable, a mix of

voluntary and mandatory parts will be required in the new system. We agree with the Expert Working Party that this can still provide choice – albeit it will be limited to when and how to leave rather than whether to leave. Ultimately, we are talking about instances where society has deemed the risk is intolerable and must be avoided. – Taituarā – Local Government Professionals Aotearoa

159. Some submitters suggested that a voluntary option should be adopted in most cases, in order to preserve autonomy and personal choice as much as possible, however even then it was thought that pragmatically a mix of voluntary and mandatory parts would be required. Others suggested that there should be a very high risk-based threshold for central and local government to require mandatory retreat.
160. Some submitters felt a mix of the two approaches would be required for different situations and at times a combination of both may be required. For example, mandatory measures may be particularly important for situations where there needs to be a mass relocation or where there was an imminent threat to life or property. Alternatively, a mandatory step might come at the end of a longer voluntary retreat process. Some submitters also commented on potential for fragmented communities and equity issues with voluntary retreat (eg, those who can afford to leave will do so and the ones left behind will become increasingly vulnerable to both the risk and its consequences).
161. Submitters also emphasised the need to educate communities to understand risk and, where possible, how to take action. This could lead to an increased willingness to make further change, such as voluntary retreat, when needed.
162. Various options were proposed by some submitters as to what a retreat system could look like in this regard. For example, one submitter recommended the system be built around components such as:
 - a phased approach: commence with a voluntary system but have clearly identified triggers for when mandatory measures would be introduced
 - community-based decision making: allow communities to vote on when to switch from a voluntary to a mandatory system based on real-time risk assessments
 - risk tiering: implement a tiered system of risk, where areas with the highest risk have mandatory evacuation, and areas of lower risk have more voluntary measures
 - financial incentives: provide increasingly attractive financial incentives for early movers in a phased retreat strategy.
163. Submitters also stated that the issue of where people move to is a crucial part of a managed retreat. Leaving a location is only part of the retreat and will only be successful if people have somewhere safe to move to that supports their economic and social wellbeing. Submitters also stressed the need to ensure that communities are relocated to an area that is resilient and not likely to itself be subject to a retreat in future.
164. Some submitters also discussed concerns in relation to scope, in particular whether a retreat system should apply to activities such as primary production, horticulture, and businesses. Some submitters commented that some, or all, of these activities should be exempt from mandatory retreat and the scope should be limited to residential properties. However, other submitters noted that at the very least there would need to be provisions catering to mixed-use properties, such as farms which can have both primary production and residential activities taking place on them.

Powers to control, use and acquire land are needed for an efficient adaptation and retreat system

165. The lack of powers currently available to councils (or central government) under legislation such as the resource management system or Public Works Act 1981 is considered a key constraint to the implementation of retreat by submitters. There was a general consensus that local government is probably best placed to be making decisions on retreat but it needs access to a wider range of powers to enable proactive retreat.

166. Many submitters supported the wide range of powers put forward in the issues and options paper and EWG report, and considered most of them would be necessary for a functioning retreat system. In particular, it was acknowledged that there is an urgent need for powers to control existing and future land use and the acquisition of land (either voluntarily or by compulsion).

167. Submitters noted a number of specific powers or types of powers they considered necessary for a system for retreat, including:

- credible and fair land valuation and acquisition processes (for both voluntary and mandatory retreats)
- clear, efficient and timely processes for modifying or extinguishing the existing uses of land
- powers to control ownership and use of land once it is retreated from, such as:
 - powers to ensure people do not return to their homes (people should not be able to choose to stay once a retreat process ends)
 - powers to ensure land is not inappropriately used after retreat
 - powers to ensure environmental outcomes are achieved
 - powers to restore land for recreation and ecological purposes
 - powers to maintain access to culturally significant sites.
- powers that enable the exclusion of Māori freehold and customary land from the normal process.

168. Submitters said powers need to be used consistently and equitably across communities.

169. Several submitters said that Māori land (for example, land held as Māori Freehold Land under Te Ture Whenua Māori Act 1993) should be treated differently, and that ownership of Māori land should not change. Submitters stated care needs to be taken with any powers to mandate certain land uses and appropriate safeguards need to be included to avoid any Tiriti breaches. The key message from Māori submitters was that any new powers will need to ensure that tino rangatiratanga over whenua, kāinga, and taonga is able to be exercised by Māori.

We endorse the principle that iwi and hapū have the right and are supported to make their own decisions about their lands, taonga, tikanga, mātauranga, culture and values, and to determine their own futures as mana whenua and kaitiaki. This includes decisions about the nature and scope of partnerships with central and local government agencies and other entities working on climate adaptation. – Te Rūnanga o Ngāti Rārua

170. In terms of the location of any new powers, submitters noted the planning system is better equipped to manage the creation of risk from new development than it is to address existing risk that is a legacy of already established development. This is particularly pertinent for retreat, where submitters noted that current planning laws and the Public Works Act 1981 do not allow for retreat, roles and responsibilities are unclear, and the financial and social costs of action are significant.

171. Submitters who commented on designations supported the approach of using designations for adaptation purposes. “Adaptation designations” were proposed in the EWG report⁴ as a way of implementing actions identified during adaptation planning processes using the planning system. They would share some features with the ‘designation’ process currently possible under the Resource Management Act 1991, but they would be quite different from it. In essence, they would operate to give adaptation planning a degree of priority over other resource management decisions and enable efficient implementation of those decisions. Submitters who commented on this supported the EWG’s suggestion, noting that adaptation designations would provide a way to avoid the inefficiencies that would arise if a process had already been undertaken to develop and decide on a local adaptation plan, but this then had to be repeated to change a district plan or regional plan.

Land use post retreat should prioritise non-habitation uses

172. Most submitters were of the view that following retreat land should no longer be used for habitation or development. Submitters were supportive of only limited exceptions for a small number of identified activities. There was significant support for recreational and ceremonial uses, agriculture and horticulture (although one council disagreed with land being used for agriculture and horticulture). Other options included mahinga kai gathering, practicing tikanga or kawa, flood management, creating natural hazard buffers, carbon capture, temporary sports or other events, solar power systems, scientific research, and some small-scale commercial activities. Overall, submitters considered this land should be optimally managed (rather than left unmanaged) or be restored back to its natural state. Where appropriate, it could be used to support further adaptation, for example by use for a nature-based solution.

173. When thinking about how decisions on land use post retreat are made, submitters said that uses should be assessed on a case-by-case basis and the benefits and risks carefully assessed. Some submitters suggested community and mana whenua should play a significant role in making decisions about post-retreat land use. Some noted it is easier to build a mandate for retreat if communities know the land will be put to good use. One submitter noted it may be better to think of relocation as providing an opportunity for new uses rather than relocation meaning no uses with some exceptions.

Withdrawal of services is likely to be required in many adaptation cases

174. The issues and options paper referred to services as roads and bridges; storm, waste and drinking water; electricity; and telecommunications. Currently, there are obligations on some providers to continue to supply services (for example on territorial authorities to continue to provide access to water) and there are very limited powers to withdraw these services (supply of electricity is another example). Two options were posed in the issues and options paper:

- a plan for the withdrawal of services is agreed to and included in the retreat implementation plan for a specified area
- conversely, or in addition, service providers could be empowered to make a request to an independent decision-maker to withdraw services.

175. Many submitters agreed withdrawal of services should be part of a retreat plan as it would be inefficient for this to not be included. Some submitters commented that continuing to provide infrastructure to areas that are likely to retreat sent confusing messages about the liveability of an area. Some also agreed that there should be an option for service providers to request an

⁴ See EWG recommendations 28 and 45-48.

independent decision-maker to approve withdrawal of services. There may well be cases where it becomes inefficient to continue to provide services, for example if they have been damaged and it is likely they will be damaged again in future.

With regard to the withdrawal of services, we support a combination of options A and B which combines a plan for the withdrawal of service included in a retreat plan, and the ability for services providers to make a request to an independent decision maker to withdraw services. This combination approach acknowledges that post-disaster, providers will need flexibility where plans may have not provided for the impacts of an event, but also provides clarity for the communities that are reliant on those services and providers who need certainty to invest in the maintenance and renewal of long-term assets. – Infrastructure New Zealand

176. Several options were suggested by submitters regarding the point at which services should, or could, be withdrawn, or exceptions provided, including a range of potential thresholds or triggers for withdrawal. Some suggested a trigger based on the size of the population that has left (eg, 75 or 50 per cent) or the size of the population remaining relative to the ratepayer base. Some submitters suggested services should be withdrawn once a risk becomes intolerable and a mandatory retreat process is put in place. Some said services could be withdrawn a reasonable time after the decision to retreat is made to allow time for retreat arrangements to be made (eg, people could move or make their own arrangements for services). Some submitters said services should be withdrawn where the costs of continuing to provide services is prohibitive and cannot reasonably be funded by the beneficiaries of those services. Others noted it may happen the other way around and the need to replace or upgrade aging or damaged infrastructure could trigger a retreat process (rather than waiting longer for a hazards trigger to be reached).

177. Some submitters suggested service providers should have flexibility to adapt the supply of services and infrastructure during the retreat timeline (eg, transitioning to services in alternative forms). When considering service withdrawal, some submitters noted the need to consider maintenance of sufficient services to airports and ports and the service requirements of any uses of the land post-retreat.

Views on the Crown’s Tiriti obligations in the context of retreat

178. Submitters generally held very similar perspectives regarding the Crown’s Tiriti obligations to support retreat. Most submitters who discussed the point considered that the Crown has an obligation to uphold Te Tiriti principles and provide a high level of support to enable a by Māori, for Māori approach to, across a range of different areas related to adaptation and retreat.

179. To achieve this, those submitters noted their view that the Crown has several obligations which it should uphold. These include the Crown actively working in partnership with iwi and hapū.

Partnership with Iwi/Māori is also a critical part of working in communities and should extend beyond simply “engaging”. Iwi/Māori have considerable historical knowledge of landscapes and natural hazards in Aotearoa and can contribute significant knowledge and guidance to managed retreat processes. – Forest and Bird

180. Another obligation noted was the principle of self-determination and the importance of the Crown enabling iwi, hapū and whānau to determine and lead their own adaptation plans, strategies and actions, supported by giving Māori access to robust and up to date data. Submitters also suggested decision-making powers over whenua should be devolved over to the

appropriate iwi and hapū. Submitters stated that a key part of enabling this to happen is an obligation on the Crown to fund Māori climate resilience, adaptation and retreat processes, including for planning, engagement, education within iwi, hapū and Māori communities, and for mana whenua with mātauranga. Submitters stated that this would ensure Māori have the mandate, processes, support, and resourcing to lead and implement their own adaptation action.

181. Several submitters noted their view that the Crown has an obligation to establish a retreat process that maintains the whakapapa connections Māori have with their whenua, ensures whenua stays in current ownership and governance structures, and has protective measures in place for wāhi tapu and urupā. Providing clarity on this process, in particular for Māori land, Treaty settlements, and leases, was stressed by several submitters.

The Crown's proactive collaboration with iwi, hapū, and Māori is indispensable to ensure the safeguarding of rights and interests and therefore the long-term success of any legislative framework. This encompasses the protection of Māori land and the fulfilment of Treaty settlements. A Tiriti based adaptation system must respect Māori prerogatives to maintain land ownership, even in retreat scenarios, and incorporate principles of Mana Motuhake and Rangatiratanga (self-determination and governance). – New Zealand Banking Association

Appeals and dispute resolution

182. Submitters generally agreed some checks and balances are needed in any system for adaptation and retreat. Some submitters expressed a desire to move away from litigious and costly processes, such as those they experience with the Resource Management Act 1991. However, there was also general support for a high degree of scrutiny of adaptation planning and retreat processes (ie, a formal submission and hearing process with independent commissioners).

183. Some submitters from the private sector felt there should be robust merit appeal or review rights for any mandatory retreat decisions. Local government submitters said there should only be appeal rights on points of law and judicial review. Submitters said risk assessments in particular should only be able to be appealed on questions of law.

Ministerial intervention

184. Several submitters supported Ministerial intervention powers where local mechanisms fail, decision making cannot occur, or consensus cannot be reached. While there was some support from local government for a 'call in' power such as this, one council strongly opposed such a power. One submitter suggested considering an alternative model similar to the commissioner model under the resource management system. Another submitter noted Ministerial approval of decisions to retreat would be an appropriate alternative to judicial approval as retreat decisions are inherently political and may involve central government funding.

Protecting decision-makers from liability

185. The issues and options paper noted that liability can be an important factor in ensuring good and careful decisions are made as it can act as a strong incentive to take care. However, the paper also noted that without some protection from liability, decision-makers may not make decisions at all or will make decisions on the basis of trying to avoid litigation rather than on the merits of the issue itself. The issues and options paper posed two options for reducing liability:

- exclusion from all liability where decision-makers act in good faith; or
- exclusion from all liability where decision-makers act in good faith, except in circumstances of failure to act or misfeasance (the performance of a lawful action in an illegal or inappropriate manner).

186. Generally, submitters considered councils should be protected from liability when acting in good faith, using available evidence, and following agreed and established protocols that involve affected communities. However, they stated this protection assumes that the process has been transparent, inclusive, and has considered the best available information. The primary reason provided for this view is that it is important decisions can be, and are, made notwithstanding the uncertainty that accompanies natural hazard risk and the impacts of climate change. Some submitters also supported exclusions from liability for other decision-makers, such as service providers.

187. Submitters had a range of views on the specific limits to protection from liability. Options included that decision-makers should not be protected from liability where there has been 'gross' negligence, misconduct, or intentional harm. One submitter suggested that councils should be liable and hold the same level of accountability as company directors under the Health and Safety in Work Act 2015, and that a councillor should continue to be liable in the event of standing down or if they are not re-elected. Another suggested exclusion from liability where the decision is made in good faith and is 'reasonable,' which would be defined to include standards in relation to evidence and best practice.

188. A few submitters suggested there should be no liability providing the decision-maker has acted in good faith, on the basis that a broad degree of protection will encourage more proactive decision making. However, other submitters noted that this may risk reducing accountability and could be abused if not carefully defined and monitored. Many submitters felt the option to exclude decision-makers from all liability where decision-makers act in good faith, except in circumstances of failure to act or misfeasance provided a more balanced approach, retaining accountability while providing some leeway for good-faith errors. Under this option, submitters were of the view that decision-makers would be encouraged to act but would also be held responsible for failures to consider important information or improper actions.

189. Another option presented by submitters included a provision for liability insurance or an indemnity fund. Under this option, it was proposed a fund or insurance system could be created specifically for decision-makers involved in retreat planning and would serve as an additional safety net. It could cover legal costs and damages arising from good-faith decisions that nevertheless led to negative outcomes.

Section 7: Funding and Finance

The issues and options paper described the current approach to funding adaptation and what might need to change, including how adaptation costs might be shared in the future. It focused on costs across the PARA (prevent, avoid, retreat, accommodate) framework and discussed where the responsibilities for meeting adaptation costs currently lie and noted what some of the challenges with this might be, now and in future.

It asked submitters for their views about a range of topics including: what parts of the system currently work and which do not, the most important outcomes and principles for funding adaptation, the circumstances under which ratepayers, taxpayers and central government should help pay for the costs of adaption, what the priorities should be and how it should be funded.

Current system for funding and finance

New Zealand lacks a pre-emptive framework to guide funding decisions

190. A majority of submitters mentioned that the main issue with funding and financing is the lack of an agreed framework to guide how adaptation funding is provided. Submitters noted the current system for adaptation funding occurs post-event, is ad hoc and reactive. The ad hoc funding approach undertaken to date has set precedents and unrealistic expectations, as a result some people are defaulting to the assumption that the compensation precedents set by prior disaster support are likely to continue into the future. Many submitters also commented that the lack of pre-planning or anticipatory decision making for funding decisions is leading to poorer outcomes, and potentially setting a dangerous precedent for future events.

Current ad hoc, post-disaster approach to funding decisions can lead to maladaptive and inequitable outcomes

191. Most submitters commented that the current reactive approach to adaptation funding can lead to inequitable and maladaptive outcomes or create moral hazard.

The current ad hoc approach does not ensure equitable division and creates a perverse sense of safety encouraging further development in high-risk areas. – Clifton to Tangoio Coastal Hazards Strategy Joint Committee

192. Submitters agreed there are differing expectations about who will pay and how much. Notwithstanding this, there is also a view that individuals, even when they are aware there is a risk posed to their property, are incentivised (either when insured or uninsured) to wait for a voluntary buy out rather than taking proactive steps to reduce risk. In addition, submitters noted a lack of anticipatory adaptation thinking means that we may be prolonging exposure to risk, which can be maladaptive. Many submitters commented that a more pre-emptive approach, supported by policy and legislation is likely to send clear signals that areas known to be at high risk should have no further investment.

193. Submitters commented that the lack of a framework to guide funding decisions can exacerbate inequality. For example, to date, compensation is provided following high-profile disaster events, at the expense of other areas that may have smaller scale sustained events that will

require relocation. One submitter commented that Tairāwhiti/Gisborne's many years of maladaptation and underfunding of adaptation options led to its vulnerability to Cyclone Gabrielle. However, it received the benefit of a voluntary buyout programme, while other areas have not.

The current approach to adaptation funding is reactive and this is not financially sustainable over the long term

194. Some submitters pointed out that the costs of adaptation are likely to increase as the impacts of climate change intensify. Moreover, it is likely that the current reactive approach to adaptation will become financially unsustainable over the longer term.

Not acting to strengthen our ability to cope with climate change now is the biggest risk to our national financial stability in the future. The earlier we spend to adapt, the less we will spend in the long term. – Hamilton City Council

195. Submitters suggested the current funding and financing model based on post-event recovery should not be used as a precedent for future compensation and the lack of an adaptation fund means that sources of funding are not clear.

Investment in resilience prior to events is orders of magnitude lower in costs than recovering after an event; there is a strong business case for government to support improved resilience as it will reduce costs of response overall. – Clifton to Tangoio Coastal Hazards Strategy Joint Committee

Cost sharing

Under what circumstances the costs of adaptation should be shared

196. Most submitters supported the contribution of individuals, ratepayers, taxpayers, and government to adaptation costs. However, submitters thought that there needs to be more clarity about the circumstances in which assistance will be given with specific criteria decided in advance, and based on detailed thinking about when help will be given and to whom (for example, the development of a needs-based approach to public funding).

197. Overall, submitters did not support the continuation of the current ad hoc approach to funding retreat post event because it can be inequitable and disincentivises people to internalise the costs of living in risky areas. Submitters also felt the private sector, particularly banks and insurers, can do more to support the costs of adaptation, and that central government needs to proactively develop a framework that supports adaptation more generally, rather than just retreat.

198. Most submitters did not think funding support should be provided to those who knowingly purchased a property subject to hazard risks. The majority of submitters thought that a degree of caution is needed because of the potential for moral hazard, although it was also generally accepted that it might be difficult to establish exactly what level of knowledge, and of what risks, would discount access to support.

199. A number of submitters supported ratepayer and taxpayer funded payouts for retreat on the basis of a moral obligation to help those in trouble, particularly if the hazard event, or need for

retreat, was unforeseeable. Equity also featured as key theme, as some submitters thought that some groups are more deserving of a retreat payout than others.

We suggest that ratepayers and taxpayers could contribute to the costs where communities would choose to adapt, but doing so would cause financial hardship. It seems more reasonable to contribute where people have held a property for a long time; less so for those who have purchased inflated coastal property prices without having done due diligence. – Waikato Regional Council

200. Some submitters also commented on the need for individuals to internalise the cost of the risk. Ways in which individuals could do this included being proactive about purchasing insurance and not simply waiting for government financial assistance when an event occurs. However, others noted that insurance is not always available and is likely to become less available over time as our knowledge of risks increases.

The Council was driven by an over-riding need to help get people out of harms ways [sic] (by removing people from intolerable risk) and in doing so, provided generous offers to insured and uninsured alike so that they would voluntarily take the buyout offers. There is a strong risk this incentivises poor insurance habits in the future. – Gisborne District Council

201. Some submitters did not support funding to repair or replace properties when damage has occurred and a disaster event is likely to occur again. Submitters commented that it is wasteful to provide funding to an area that will likely experience more disaster events in future. In such circumstances, these submitters supported funding for retreat.

Cost sharing needs to be developed in advance of a disaster event and appropriately inform adaptation actions

202. Most submitters supported the development of a cost sharing framework that clearly sets out costs, roles, and responsibilities ahead of a disaster event occurring. They were more likely to support ratepayer and taxpayer funded interventions if they are based on criteria and not ad hoc. Most submitters also commented that ratepayer and taxpayer funds are better used for pre-emptive adaptation action rather than post disaster response.

Adaptation and retreat are public goods that need government support

203. The majority of the submitters thought financial support for retreat and adaptation is a ‘public good’ that needs to be addressed for longer-term resilience.

204. Submitters noted financial support from central government needs to be provided because the cost of retreat and adaptation may be too high for an individual, community, business or local government to shoulder. If the cost of retreat was borne entirely by an individual or business, it could place such financial burden on individuals that they never recover with impacts on their wellbeing and future ability to generate wealth.

205. Submitters noted that financial support is also necessary to provide for equity given some local councils, individuals, and businesses are particularly disadvantaged and may simply be unable to afford costs associated with retreat and adaptation.

Considering that its usually the most vulnerable groups in any community that are most affected and often don't have any social safety net to fall back on such as insurance, such funding would go a long [way] in ensuring equity. - Wellington City Council

Financial assistance for pre-emptive retreat will reap greater benefits than ad-hoc support

206. Most submitters supported financial assistance for relocation and adaptation as they considered it can promote financial, social, and economic wellbeing over the longer term. Retreat or adaptation post event can end up costing more, is unsustainable longer term, and can lead to perverse outcomes.

207. Pre-emptive action will also prepare communities for events, allowing for a focus on recovery and rebuilding at a smaller scale (given fewer homes are likely to be affected, rather than whole communities or regions). Pre-emptive action is also like to reduce the trauma associated with disaster events, and forced relocation from a disaster. It is also likely to reduce the longer-term social wellbeing impact of events.

Differing views on financial support for businesses, compared to residential homes

208. Submitters held mixed views about providing financial support for business relocations and adaptation. Several submitters suggested that there should be a higher set of criteria to assess business eligibility for financial support. For instance, if it does not provide job preservation, is not viable over the long term, or if the business is not carbon neutral, it should not be given financial support for adaptation or retreat.

It may not be appropriate to provide financial support to businesses which are adding to our emissions or choosing not to invest in adapting themselves. - Clifton to Tangoio Coastal Hazards Strategy Joint Committee

209. Submitters who supported financial assistance for businesses, stressed the need to maintain economic stability, employment, and economic resilience. They suggested that businesses are just as important as residential property, particularly smaller businesses where the home and business are co-located. Most of these submitters suggested that small and medium sized businesses likely need more support than larger enterprises.

Without employment (particularly in smaller communities or areas with a 'major' employer) you then have a larger volume of support needed for a community in addition to the adaptation planning and activities. Obviously, the commercial enterprise should be expected to contribute towards the adaptation, however, if the value of that is prohibitive that then puts them out of business or they may relocate to another area, reducing employment in the region. - Auckland Council

210. However, it was also acknowledged that if a decision was made to provide help to businesses it would need to be based on a different set of criteria from that applied to residential properties. Those criteria may need to consider the long-term viability of the business and its value to the economy and community. One submitter noted there may be grey areas when differentiating commercial and residential land uses for compensation, as there are blurred lines when it comes to rural land uses due to a farm often being both a business and a home.

A far more nuanced approach will be needed in this space. For a start smaller businesses and individual farms are likely to have less resilience and require more support to adapt. In the primary sector it is unlikely those businesses will be able to move, and their viability is essential for our economy so providing support makes sense. In other sectors the need for support may be less relevant as businesses will leave when they cannot get insurance. – Napier City Council

Role of central government

211. Most submitters thought central government has a role to play in preparing an adaptation system, including legislation, guidelines, policies, and plans to prepare for natural hazards and climatic events. These submitters thought that central government should be dedicating funding to preparing such an adaptation system in the same way that we plan and build other forms of infrastructure. There was also widespread consensus that central government will need to provide direct funding to support adaptation and retreat.

While central government cannot be expected to pay for everything, central government funding should generally be available to support adaptation in the same way that it is available to support roading. – Napier City Council

212. Many submitters thought central government funding should be used to support local government in developing the capability and capacity for adaptation planning, including through funding for:

- the collection of data and information on risk to underpin decision making on adaptation
- science, engineering, and development of models for evaluating risks
- upskilling practitioners and building capacity across the adaptation system.

213. In terms of focusing central government support, there was a strong consensus for targeting funding at vulnerable communities, including councils that may have a highly vulnerable but low ratepayer base. Some submitters commented that the scale of costs in high risk and high deprivation communities may be beyond what local government can afford.

Funding needs to recognise the different requirements of councils according to their exposure to climate hazards, the cost of adaptation, the size of the council and rates base. – Porirua City Council

Communication of government priorities

214. Submitters highlighted the tensions between flexibility of funding and providing an enduring approach. Submitters noted there were many ways for the government of the day to communicate its priorities. Many submitters preferred government provided a statement in the annual budget as this option:

- provides flexibility to update priorities annually
- can respond to the accelerating impacts of climate change
- will keep adaptation top of mind for the public.

215. However, it was recognised that this approach carries with it a risk that meeting the costs of adaptation could be deprioritised in light of other government priorities. Many submitters were more supportive of a legislated funding system, as it would likely be more enduring than an annual budget process. It was also recognised, however, that a legislative regime could be repealed in the future.

216. Other suggestions by submitters included a statement of spending priorities in a government policy statement or a chapter in the National Adaptation Plan or combination of these. This could provide linkages to the National Adaptation Plan to ensure alignment with other adaptation activities and give greater certainty over the six-year time scale associated with that document, which could work with other multi-year adaptation projects.

Role of local government

217. Local government submitters commented on the challenges they currently face in meeting the funding needs for adaptation and any future need to retreat. They considered they are doing their best to fund adaptation including investing in infrastructure, information needs, and retreat. However, they are concerned that the costs of climate change can no longer be met by local government, as they are becoming prohibitively expensive. They consistently noted the current funding arrangements for adaptation action are not sustainable over the longer term.

218. Local government submitters noted that councils do not want to be transferred the costs and responsibilities for local adaptation action without having a funding arrangement or levers to respond. They sought to be at the decision-making table to ensure that they appropriately resourced and funded for any implementation responsibilities they are given.

219. In addition, local government submitters called for a funding framework that clarifies risks and responsibilities for cost sharing, and can help local government with forward planning and expenditure forecasting. They stated the risks of severe weather events and disasters impacts expenditure forecasting.

Council disagrees with the statement [in the issues and options paper]... that roles and responsibilities under the current funding approach are generally appropriate. Too much responsibility for adaptation is currently held by property owners and local government, and not enough by central government. Local government faces significant affordability challenges already, for example with degrading infrastructure, and cannot afford to pay for significant adaptation actions, such as relocation of infrastructure. Central government or other centralized funding (e.g. public insurance system) support is needed. – Nelson City Council

More generally it is critical to avoid the Crown transferring the costs and accountability for implementation of unilateral decisions made by them onto local authorities. This transfer of cost and risk is unsustainable. It enables central government to avoid difficult political decisions on adaptation (such as a decision not to fully compensate landowners or to require retreat from an area) by passing these challenges onto local government which has less funding and levers to respond. Where local government is accountable for delivery it must have proportionate influence at the decision-making table to ensure that implementation is feasible and affordable. – Christchurch City Council

Role of private sector

Banks and insurers can support good adaptation, including in cost sharing

220. The majority of submitters suggested that banks and insurers are key private sector actors that can support adaptation outcomes, before and after an event. The availability of lending and insurance are important contributors in how we shape our adaptation response:

By pricing risk and sending clear market signals banks and insurers can have a profound effect at an individual level. It may lead to a reduction in investment in areas of high risk. – Stephen Ridder

221. However, one submitter cautioned making too many assumptions about the impact that the cost or availability of insurance might have on individual behaviours.

The argument is made that the cost of insurance cover motivates property owners to mitigate the risk or avoid it by relocating, thus achieving what authorities want. People have wider reasons for not wishing to move away from hazardous areas than increasingly onerous insurance terms or even the unavailability of cover, such as personal attachments, community values, family connections and environmental attachments ... This creates a dilemma for authorities that look to the insurance industry to trigger abandonment of an area. The more likely reaction to high insurance costs is to forego insurance altogether, and budgeting services report that this is, in fact, happening. – David Middleton ONZM

222. Most submitters commented on the role of development financing and mortgage lending in risk signalling, arguing banks need to proceed with more caution in increasingly at-risk areas. However, many submitters believed that banking finance does not currently provide a sufficiently strong signal to slow down and stop financing development in at risk areas.

223. Following an event, submitters thought that banks should reconsider mortgage repayments, particularly where a disaster event has reduced the value of the property below its debt value. Submitters noted that this might place significant hardship on many mortgage holders.

Banks should make preferential interest rates available for relocatable buildings to be constructed and purchased, and development financing and mortgages in the increasingly at-risk areas should be increasingly unavailable. Regulation should be created that require banks to respond to mortgage foreclosures and bankruptcy due to increasing climate-related risks and climate-related events in a certain way. This could include requirements to write off debt that is connected to 'red-stickered' land. At the very least, those who are made bankrupt from a climate-related event or mandatory relocation should have access to government-backed finance to reestablish livelihoods elsewhere. – Nelson Tasman Climate Forum

224. However, some submitters also acknowledged the importance of safeguarding confidence in the financial system:

Protecting primary-ranking mortgagees' rights is one of the critical elements of New Zealand's financial system. Legislation that could be interpreted as limiting lenders' rights to access property-related compensation payments for debt repayment could fundamentally undermine the legal foundation of our banking system and, as an unintended consequence, could affect the confidence of global capital markets in New Zealand's financial system. This could potentially affect broader financial stability, and the economy. There is a need to guide the treatment of residual debt for instances where compensation payments are less than outstanding debt, with the aim to avoid financial hardship. – New Zealand Banking Association

225. While submitters recognised the role of insurers in supporting communities in recovery, many submitters thought that insurance can do more to support pre-emptive adaptation. For example, there was a general sense that while private insurance may not have a role in paying for adaptation measures themselves, it may have a role in incentivising risk reduction and that this may be a positive way the sector can support resilience.

226. The sharing of data and risk modelling was raised as another way that insurers might be able to support adaptation. Submitters suggested that insurers could reevaluate risk following a disaster event and have fairly sophisticated modelling on levels of risk. Submitters also suggested insurers could signal the urgency of potential relocation or share information about risk to support adaptation at a local level, before insurance in that area is withdrawn from the market (ie, insurance retreat).

From an insurance perspective, it may be helpful to know that after disaster strikes, the impact provides new information and improves our understanding of risk. Climate models may be

revised and the knowledge may point to the urgency of potential relocation that may need to be accounted for in planning processes. – Te Kahui Inihua o Aotearoa The Insurance Council of New Zealand

227. Submitters noted insurance could be better used post-event, for example to support more resilient rebuilding. At the moment insurers typically pay out for like-for-like developments following an event. However, it was noted that this is inefficient and wasteful over the long run because those properties are likely to be damaged again in future.

The current insurance market does not provide sufficient cover to move people out of harm's way, or even to reduce risk for those continuing to live in their properties - for example, there are debates about whether house-lifting could or should be covered by insurance. – Gisborne District Council

228. Conversely, it was noted by one submitter that insurance companies are not in the business of reducing risk, but of measuring it. Their reaction to effective adaptation such as raising floor levels will be reflected in their willingness to offer cover and their premium charges, but they will not contribute to the cost of raising the floor.

Other private sector entities

229. Some submitters recognised the role of other private sector entities, including private developers, and other infrastructure providers (eg, telecommunications) in supporting adaptation. There may be opportunities to incentivise or regulate private developers to ensure they consider future natural hazard and climate risks, for example by: ensuring that new builds support resilient and sustainable communities, reduce emissions, and maximising energy efficiency and resilience. Some submitters noted property developers could have a role in facilitating retreat by providing for new builds, the relocation of existing buildings or cleaning up and restoring vacated land.

Solutions for funding and financing

Central government should establish a climate adaptation fund

230. The majority of submitters commented on the need for a 'climate insurance fund', 'climate adaptation fund' or a 'resilience fund', to address financial risks from climate impacts. Most submitters agreed there should be a social insurance or funding mechanism for adaptation that is similar to the EQC Toka Tū Ake model. They considered any model developed should be enduring, intergenerational, ring-fenced and not subject to the political cycle.

231. Submitters commented that such a fund can provide certainty of funding and alleviate potential hardships from climate impacts. It could also limit the extent to which funding for adaptation is dependent on the political priorities at any given point in time. Submitters also pointed to the recommendation from the Independent Review into the Future of Local Government for a fund of this nature. Submitters preferred the use of criteria to distribute funds across the country from this fund, as opposed to the creation of a contestable fund (which would lead to uncertainty, delay and conflict). Some submitters considered any fund should be a social insurance fund. Others thought a fund could be for mix of purposes including social insurance and funding for adaptation planning and infrastructure investment.

Government can set up a framework to incentivise good adaptation outcomes

232. When considering revenue sources for an adaptation fund, submitters pointed out the need for those contributing to the climate adaptation problem to pay for it. For instance, some submitters thought a fuel tax and landfill levy should be considered. Others considered developers building in at-risk areas should be required to contribute to an adaptation fund. Submitters also thought those benefitting from adaptation interventions, such as coastal communities, should contribute more than other less at-risk areas. Overall, many submitters sought to highlight the importance of some degree of personal responsibility, supported by incentives to undertake risk reduction, and a fairer distribution of the cost of poor adaptation decisions.

In general, all people and groups who benefit from an adaptation action should pay, taking into account equity principles, including government agencies and utility providers. – Clifton to Tangoio Coastal Hazards Strategy Joint Committee

Attracting private investment through innovative funding mechanisms

233. Some submitters commented on the scale of adaptation investment needed to fund disaster response and to pre-emptively prepare communities for the impacts of climate change. Most submitters commented on the need for private investment as there was a strong view that taxation, on its own, will not provide sufficient funds.

Funding adaptation has clear benefits in avoiding more significant future costs. Often though securing private investment for such projects may be challenged by high up-front costs, lack of certainty around returns on investment over the long-term and other barriers. Central government may be able to encourage private investment by meeting such up-front costs or providing a guarantee for a partial return on investment. – Te Kahui Inihua o Aotearoa The Insurance Council of New Zealand

234. Other forms of funding tools raised by submitters included:

- insurance schemes, such as insurance premium reduction programmes, microinsurance, insurance-linked securities and Crown insurance (like EQC)
- performance-based funding, such as pay-for performance contracts, sustainability-linked debt, special purpose bonds, and resilience or biodiversity credits
- central government funds and grants, such as a systemic investment fund, fiscal transfers from central to local and regional government, and the UK's grants for flood risk mitigation
- loans and financing, such as interest free or low interest loans, blended finance, and community banking models
- other approaches such as private-public partnerships, a national or district levy, and an increase to the fuel tax or to GST on high emissions products.

235. In general, Māori submitters were concerned about a lack of funding and resourcing for their communities, iwi, hapū, whanau and marae to be able to undertake climate adaptation. In addition to funding for participation in consultation, targeted funding for iwi, hapū and Māori communities to undertake mātauranga Māori, adaptation planning, and implementation was suggested as a solution. Multiple submitters noted that contestable funding was not a desired solution.

Funding models need to mirror all-of-system approach to enhance good adaptation outcomes

236. Most submitters supported financial incentives and disincentives for encouraging good adaptation outcomes. However, submitters also noted adaptation action needs to be a whole-of-system approach and funding models need to complement this approach. Communities, central government, insurers, banks, and other private investors need to work together to promote good adaptation outcomes, and the funding model should align with this.

...central government agencies should have to build-in a focus on response and recovery into their day-to-day offerings; for example, MBIE could work alongside local councils to support and target business climate resilience programmes. More collective focus on preparation and preventative action, would reduce the response that is required later down the track - Kāpiti Coast District Council

237. Submitters also highlighted the need for better information to be disseminated, and education, about risk and funding in order to make better investment decisions. For example, a community may prefer the construction of a stop bank to manage flooding, but may be unaware of the cost and benefit of a stop bank in relation to other flood management solutions. Any funding and incentivisation needs to be informed by robust cost benefit analysis and information.

High-trust, low-cost, science-backed data can unlock private and public investment capital to facilitate a nature-based recovery. By establishing a clear link between investment and outcomes, shared data infrastructure ensures that funding is deployed prudently and efficiently and creates confidence among funders that investments are worth undertaking. – Toha Network

Approaches to providing support to those needing to retreat

Make pre-emptive relocation more desirable than post-disaster retreat

238. Submitters noted that any approach to relocation needs to make pre-emptive retreat a more attractive option than post-disaster retreat. Submitters identified a range of reasons that promote communities or individuals to stay in place regardless of hazard risks. These include a sense of belonging and attachment to a community or area or lack of awareness of the scale of the hazard risk. Other reasons included the fact that people cannot afford to relocate and, if financial packages for post-disaster retreat are more attractive than pre-emptive relocation, they can serve as an encouragement to stay. Many submitters highlighted that pre-emptive retreat needs to be sufficiently attractive as an option to encourage people to leave an area.

In principle, approaches should incentivise retreat and disincentivise staying, where risk to life and safety exists. Insurers, for instance, may not provide cover and banks may not provide loan support. Similarly, the degree of ongoing service support for infrastructure to service these properties should also be limited. – Te Kahui Inihua o Aotearoa The Insurance Council of New Zealand

Financial and non-financial support needed for relocation

239. Submitters identified monetary and non-monetary barriers that must be addressed to support retreat. Monetary barriers include debt relief or mortgage support. Submitters recognised that

when an area is identified for retreat, it is likely to lead to deterioration of property values and it could become difficult to get insurance. It may also become impossible or difficult to sell and recoup the cost of the property. This is a worse outcome for communities and individuals.

The framework also needs to avoid leaving people in 'property purgatory' where rising insurance premiums and reduced housing values leave people vulnerable and unable to leave.
– Local Government New Zealand

240. Submitters recommended debt relief or requirements for banks to write off mortgages. It was suggested that this might also encourage banks and other actors to be more prudent with lending.

...if banks were obliged to write off a portion of mortgage debt for properties in high-risk areas it would encourage them to be more prudent with their lending, take pressure off the taxpayer and ratepayer and enable those stuck in high-risk areas to move on. – Auckland Council

241. Conversely, it was also noted that limiting lenders' rights to access property-related compensation payments for debt repayment could fundamentally undermine the legal foundation of our banking system and ultimately undermine the confidence of global capital markets in New Zealand's financial system.

242. Submitters also identified the non-monetary support needed for retreat, including psychological support, legal support, and education of the risks and need for retreat. Many submitters identified the psychological and stressful toll that retreat may have on individuals and communities.

243. Few submitters suggested a specific compensation or financial assistance amount. Those who did noted considerations and decisions that would have to be made on determining an appropriate figure, such as criteria for eligibility and principles for funding.

The reality is that without financial support many people will be unable or unwilling to retreat, the consequences will get worse, and the sense of community will erode. It is not realistic to expect that an enforcement approach without any form of incentive will be effective. – Clifton to Tangoio Coastal Hazards Strategy Joint Committee

244. Many financial support alternatives were raised by submitters including:

- holistic and wrap around support for people, for example psychological support, end to end support (eg, a case manager), and local navigators (used in Westport floods)
- providing land to retreat to (ie, land swaps), and support for communities who want to stay together for resilience
- funding for staff training to support tough discussions with communities
- funding for Māori to develop their own adaptation plans
- targeted funding for marae, Māori landowners, whanau, hapu and iwi
- action and outcome-based funding pools
- relocation grants
- support for environmental groups who already provide resilience and climate benefits through their work programmes (eg, planting and pest control)
- home resilience funding
- funding for cultural heritage including relocation and conservation treatment.

245. In general, submitters called for a holistic approach to funding. This included coordination of different funding sources across different providers and the development of wrap around services.

Community approaches rather than individual action

246. Some submitters recognised that there may be better outcomes if funding for retreat is considered at the community level, rather than at the individual property level. It was suggested that this may be a more efficient and cost-effective method to achieve a retreat.

By relocating a community as a whole (by either expanding a nearby settlement or building a new community) there may be opportunities for working with developers to create new dwellings, and those involved in the relocation having the option to take a new property in place of their existing one. This could potentially reduce overall buy out costs for a local authority. – Auckland Council

Any approach to relocation or adaptation needs to consider market impacts

247. Many submitters were concerned about the impact identifying specific areas for retreat might have, given there is a risk that once an area is identified as high-risk, there could be a decline in insurance coverage, decline in property values and further distortions in the insurance and property market. Submitters raised concerns that the act of identifying an area as at-risk might lead that community into financial hardship. To alleviate this issue, submitters highlighted that any approach to retreat needs to properly consider any market distortions it may create. Submitters also called for banks, insurers, and governments to bridge any financial gaps created by retreat.

(NZBA) ... calls for coordinated efforts for financial bridging solutions and debt relief measures, particularly as obtaining insurance in these areas may prove challenging ... Coordination among stakeholders regarding financial bridging solutions and debt relief measures will be essential. It is also assumed these properties would maintain private insurance. However, in retreat-designated areas, securing insurance could be challenging. – New Zealand Banking Association

Funding approaches for iwi, hapū and Māori

248. Māori submitters considered that financial support for iwi, hapū and Māori communities must be part of any system. However, one submitter also noted that it was important that if there is specific funding for Māori, access to assistance is not precluded by individual Māori who may own general land.

249. Submitters generally supported targeted funding and support for Māori that is reliable, long term and determined by iwi and hapū. Other suggestions included support in the form of robust and concise information, capability, capacity and the tools to make informed decisions. One submitter supported the Crown providing up front funding to iwi and hapū when participating in Crown-led processes, and that this should not just be limited to travel and accommodation costs.

250. Several submitters noted successful collaborations between iwi, hapū and central or local government that could serve as a model. These included:

- Te Heke Ngahuru ki te Awa Tupua (Te Awa Tupua Strategy); a Crown contribution and future discussions to fund implementation.
- Te Pawaha – Whanganui Port Revitalisation Project; a council \$50 million project.
- Patiki Emergency Response Group, Putiki, Whanganui; a local initiative funding through Civil Defence emergency services.

- The Kaipara Moana Remediation Programme.

251. Another submitter noted that direct funding approaches have worked well for them in the past:

The Bay of Plenty Regional Council's Community Led Adaptation Fund has demonstrated the effectiveness of flax roots climate change adaptation planning directly by communities, at their scale. This funding recognises that communities are deeply connected to place and changes to that place. While councils have a role in facilitating adaptation planning at a regional/district scale, the objective of the funding is to complement this with a bottom-up community approach. The modest funding (up to \$15,000 is available for individual projects) has already resulted in some great outcomes: the Maketū Iwi Collectives (Te Rūnanga o Ngāti Whakaue ki Maketū, Whakaue Marae Trustees and Ngāti Pikiao Noho Ki Tai) Climate Action Plan is an impressive document which won the NZPI 2023 Supreme Planning Award. – Bay of Plenty Regional Council

Section 8: Other matters

In addition to specific topics outlined above, submissions also raised a number of general matters.

This section outlines the most common of these. There was widespread dissatisfaction with the term 'community-led retreat', and this was used to highlight the importance of getting the terminology right. The issues and options paper also noted the relationship between recovery and adaptation and asked whether an enduring adaptation system could also be used to guide decision making during a recovery.

Terminology

The terminology used is important for managing expectations of the adaptation system

252. The vast-bulk of submitters did not support use of the term adopted by the issues and options paper "community-led retreat". Overall, there appears to be a slight preference for language that adopts the term 'relocation' with some reference to the community also being desired.

253. The few submitters who explicitly voiced support for the term "community-led retreat" did so because of the implication it contains that communities would be involved within the decision-making processes. However, many submitters noted that stating that the process would be 'led' by the community implied that the community would be making the decisions when this would almost certainly not be the case. The term "community-led retreat" could be misleading when communities are not empowered to lead and direct decision making. One submitter noted that in New Zealand and internationally, communities are unlikely to opt for retreat without generous incentives. In the context of pre-event managed retreat, 'community-led' retreat is therefore an unlikely result. Instead, there was a preference for language that suggested the community will be involved and inform the decision making, but not actually making the decisions.

254. Many submitters also took issue with the word 'retreat' as, at best, it suggests a reactionary, post-event, response. Instead, the language should reflect an anticipatory focus.

Alternatives proposed by submitters:

National and community led retreat	Managed retreat	Managed relocation
Community retreat	Planned relocation/planned resettlement	Community centred adaptation
Community-focussed retreat	Community-focussed adaptation	Community-led planned relocation
Community-centred relocation	Pre-emptive relocation	Community-led adaptation and retreat
Climate retreat	Planned retreat	

255. Of the above alternatives suggested by submitters, “planned relocation/resettlement” and “community centred adaptation” were the most common. This was especially true within submissions from local government, who heavily favoured the use of relocation.

256. Submitters noted that while “managed retreat” and “retreat” are the common terms used in most Western countries, it does not resonate with a te ao Māori worldview, and the use of such wording should be avoided when engaging with Māori on their adaptation needs.

257. Very few submitters commented on what term would be appropriate for iwi, hapū and Māori communities. Those that did, acknowledged that the Expert Working Group’s proposal of “te hekenga rauora” was more appropriate, but encouraged flexibility to allow each individual iwi, hapū or Māori community to determine the most appropriate term to use.

Adapting through recovery

258. Submitters generally agreed with the issues outlined in the issues and options paper regarding recovery and adaptation. Submitters also commented that there were some unanticipated needs and costs associated with recovery (from experience) such as social support, income, financial support, the need for infrastructure to be up and running quickly, debris removal, and the trauma associated with an event.

259. Most submitters supported some adaptation planning taking place in the aftermath of a disaster event. Others suggested the need for proactive adaptation planning that would consider, and decide, what should happen after a disaster (ie, in advance of that event occurring). There was general support for a different approach to adaptation planning in these different circumstances (ie, pre- and post-event). Some key reasons from submitters are:

- There are different priorities, levels of urgency, challenges and opportunities in pre- and post-event scenarios. The underlying principles can be consistent, but the approach should be flexible and tailored to each circumstance pre- and post-event.
- People are more engaged in the planning and delivery process post-event.
- It is more expensive to make changes after a disaster and the primary focus should be on proactive adaptation and retreat.

Recovery plans should provide direction on how adaptation options or pathways change post-event and ensure that decisions made during critical situations do not lock in maladaptive measures. Following the recent experiences of NZPI members in areas affected by Cyclone Gabrielle, we recommend other measures are taken to aid recovery, such as having pre-prepared draft Orders in Council that can be implemented quickly following an event, subject to event specific details being added, and the required resources and support prepared for community refuge centres such as marae and rural schools. – Te Kōkiringa Taumata| New Zealand Planning Institute

260. One submitter noted that the common principles between approaches are the need for clear guidelines, flexibility, and regulatory tools to guide emergency management, recovery and rebuild following an event.

261. A few submitters suggested a proactive framework for recovery that is ready for implementation during, immediately after and in the recovery and rebuild phase. This includes clear decision making and roles and responsibilities for that decision making.

262. A couple of submitters noted that ‘step in’ powers for the relevant Ministers in the context of recovery would be useful and we can learn from overseas examples. It was suggested that these

powers would need to be coordinated with those under emergency management legislation and not encroach on locally driven adaptation processes and decisions in the first instance. There were quite a few comments relating to support for communities during times of crisis, and after that into the recovery period, in particular the importance of ensuring there is community understanding of, and support for, an agreed approach to a rebuild.

263. Submitters commented on the important role of iwi, hapū and Māori communities in emergencies, including through mobilising resources and supporting in disaster affected communities. Examples were given noting where marae have become refuge centres, and iwi and hapu becoming first responders.

Māori cleaned up marae, provided shelter, and support for people to rebuild homes in the Cyclone Gabrielle recovery. A lot of this was completed before civil emergency support even arrived. – Human Rights Commission

264. Many submitters stated they would like to see a recovery system co-designed with communities and Māori to ensure it is more proactive, ensures better planning, improves certainty and responds faster, while incorporating a Tiriti-based approach in design and implementation.