



PROACTIVE RELEASE COVERSHEET

Minister	Hon James SHAW	Portfolio	Climate Change
Name of package	Proactive release of Climate Change Adaptation Bill Cabinet papers	Date to be published	25 September 2023

List of documents that have been proactively released

Date	Title	Author
3 August 2023	Cabinet paper: Community-led retreat and adaptation funding – issues and options paper	Office of the Minister of Climate Change
16 June 2023	Cabinet paper: Progressing the Climate Change Adaptation Bill	Office of the Minister of Climate Change
16 March 2021	Cabinet paper: Adaptation Legislation: Proposed Scope, Objectives and Process	Office of the Minister of Climate Change
7 August 2023	Cabinet Business Committee Minute of Decision: Community-led Retreat and Adaptation Funding: Issues and Options Paper Food Waste (CBC-23-MIN-0016)	Cabinet Office
22 June 2023	Cabinet Environment, Energy and Climate Committee Minute of Decision: Progressing the Climate Change Adaptation Bill (ENV-23-MIN-0027)	Cabinet Office
15 March 2021	Cabinet Minute of Decision: Adaptation legislation – scope, objectives, and process (CAB-21-MIN-0068)	Cabinet Office

Information redacted **YES**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld for the reasons of confidential information entrusted to Government and confidential advice to Government.

In confidence

Office of the Minister of Climate Change

Cabinet Business Committee

Community-led retreat and adaptation funding – issues and options paper

Proposal

1. This paper seeks Cabinet approval to release the attached draft issues and options paper *Community-led retreat and adaptation funding – issues and options* (Appendix A), to support the select committee inquiry into community-led retreat and adaptation funding.¹

Relation to government priorities

2. The Government declared a climate change emergency on 2 December 2020. Cabinet agreed that climate change “demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge” [CBC-20-MIN-0097 refers].


Executive Summary

3. The impact of climate change will increase in the coming decades, although the extent of this impact will depend on global efforts to reduce greenhouse gas emissions.
4. Due to New Zealand’s geography, many communities are severely exposed to natural hazards that are exacerbated by climate change. This includes increasing severity and frequency of flooding, landslips, sea level rise and drought. The resulting risk to life and livelihood, property and infrastructure, wellbeing, taonga and places of significance including wāhi tapu, is also growing.
5. Action 5.1 of the first national adaptation plan is to pass legislation in the period 2022-2024 to support managed retreat. On 15 March 2021, Cabinet agreed that the Climate Change Adaptation Bill (CCAB) would cover retreat as well as how the costs of adaptation are shared [CAB-21-MIN-0068 refers].
6. The issues and options associated with retreat and adaptation funding are of a high magnitude and will have a significant impact on present and future generations. In addition, areas subject to a higher risk of natural hazard events are often areas with higher socioeconomic deprivation. Those on lower incomes are more likely to be significantly negatively impacted from the impacts of climate change due to their lower levels of financial resilience.

¹ I am using the term “issues and options paper”, rather than “white paper”, because this terminology is clearer and reflects Cabinet’s intention to focus on exploring a range of issues and options.

7. On 26 June 2023, Cabinet authorised me to request that the Environment and Māori Affairs Committees conduct a joint inquiry on issues and options for adaptation, with a particular focus on adaptation funding and community-led retreat [CAB-23-MIN-0263 refers]. An inquiry will allow for the public and cross-party consultation and consensus building that is needed before developing legislation of the magnitude of the CCAB.
8. After conversations with the Chairs and Clerks of those two committees I have concluded that, at this stage, a sole inquiry by the Environment Committee is the most appropriate and practical approach. I intend to explore the option of a special committee to carry out the inquiry, post-election.
9. Cabinet authorised me to refine the proposed terms of reference for the inquiry prior to requesting its initiation [CAB-23-MIN-0263 refers]. After speaking with the Chair of the Environment Committee, I have revised the proposed terms of reference and they are attached (see Appendix C).
10. Cabinet also invited me, in consultation with the Ministers of Finance, Housing and Local Government, and the Minister for Emergency Management, to seek agreement from Cabinet in August 2023 to a paper to support the inquiry.
11. The attached issues and options paper:
 - highlights the work of the Government to improve our approach to adaptation through the development of the national adaptation plan and resource management reforms
 - draws attention to two significant gaps which we need to address, relating to the lack of a community-led retreat system and adaptation funding framework
 - canvasses a range of issues and options to test with the public
 - considers the rights and interests of Māori as te Tiriti partners and tangata whenua.
12. The final report of the Managed Retreat Expert Working Group will be released alongside the issues and options paper and provides recommendations for a new system for retreat. The issues and options paper draws on the Expert Working Group's report.
13. Both the issues and options paper and the Expert Working Group's report consider Māori participation and the Crown's obligations to Māori under te Tiriti. The Crown will also need to continue to engage with iwi, hapū, and Māori groups while the inquiry is in progress. While the engagement plan will need to be set in collaboration with iwi, hapū and Māori, an indicative approach is set out in this paper.

Government's climate work programme and role of CCAB

14. The first national adaptation plan, the National Climate Change Risk Assessment that informs that plan, and the emissions reduction plan drive the government work programme to both mitigate and adapt to the effects of climate change. A key action under the national adaptation plan is to pass legislation in the period 2022-2024 to support retreat.
15. The Future of Severely Affected Locations work programme was established following Cyclone Gabrielle and the Auckland Anniversary flooding events. This work programme is considering adaptation actions and facilitating retreat in severely affected locations. Cabinet made decisions on central government funding support on 31 May 2023 [EWR-23-MIN-0044 refers].
16. A government inquiry into the response to the North Island severe weather events was also announced on 7 July 2023. I am mindful that this process will be ongoing during the Select Committee inquiry into community-led retreat and adaptation funding.
17. I have asked Ministry for the Environment officials to consider how best to advise the Select Committee on the progress and outcomes of the severe weather event inquiry. This may include phasing the matters officials advise the Committee on and bringing in officials from across government to advise the Committee.
18. Section 9(2)(f)(iv)

19. See Appendix B for a diagram showing how the climate event response work programmes relate to each other.

Inquiry into community-led retreat and adaptation funding

20. On 26 June, Cabinet agreed that I could write to the Chairs of the Environment, and Māori Affairs Committees seeking the establishment of an inquiry into community-led retreat and adaptation funding [CAB-23-MIN-0263 refers].
21. The purpose of the inquiry is to advise the House on issues, options and recommendations for climate adaptation, with the primary focus being community-led retreat and adaptation funding.
22. Subsequently, I met with the Chairs and Clerks of the Environment and Māori Affairs Committees who raised logistical issues with setting up a joint inquiry. The

relevant Clerks also raised procedural concerns about a joint inquiry. Due to these concerns, I do not consider a joint committee a viable approach at this stage.

23. As the inquiry will be self-initiated, the Environment Committee will set its own terms of reference. Cabinet authorised me to refine the proposed terms of reference prior to requesting the initiation of the inquiry. I have attached the revised terms of reference which reflect conversations with the Chair of the Environment Committee (see Appendix B).
24. Officials from the Ministry for the Environment will act as advisors to the Committee. Given the links to other government work programmes it is likely that the Committee would also need support from other government agencies with relevant technical expertise (e.g. the Treasury, the Ministry of Housing and Urban development and the National Emergency Management Agency).
25. Given the need to ensure a cross party approach to these matters I intend to explore establishing a special committee post-election to continue the inquiry. If this option is preferred, I will propose that the post-election special committee should include membership from the Māori Affairs Committee or that members be appointed that can contribute their te ao Māori perspective.
26. To add to this, I will also request the Environment Committee to invite the Māori Affairs Committee to an initial hearing to share findings of their recent inquiry prior to Parliament dissolution on 8 September 2023.

Issues and options paper

27. On 26 June, Cabinet invited me to seek agreement from Cabinet in August 2023, in consultation with the Ministers of Finance, Housing and Local Government, and the Minister for Emergency Management, to an issues and options paper to support the inquiry covering [CAB-23-MIN-0263 refers]:
 - the overarching problem definition and objectives
 - issues and options for community-led retreat and other adaptation actions (informed by the report from the Expert Working Group in June 2023, which will be attached to the issues and options paper)
 - issues and options for funding for community-led retreat and other adaptation responses based on work currently progressing on adaptation funding issues and options
 - potential finance sector (ie banking and insurance) issues and interventions based on work currently progressing on adaptation financing options
 - matters relating to te Tiriti o Waitangi and iwi, hapū and Māori, including integration of mātauranga Māori and te ao Māori.

28. The role of the issues and options paper is to support the inquiry by providing an informed basis for submissions.

29. The following table provides a summary of the paper by chapter.

Chapters	Key points
1 and 2	<p>Context and the need for change</p> <p>Sets out the context for the paper, including the broader government work programme, and the purpose and scope (noting that the focus is on adapting to the increasing risk posed by natural hazards). Focuses on the challenges arising from the lack of a system for community-led retreat and gaps in our funding approach and emphasises the need to compare the cost of action to the cost of inaction or maladaptation.</p>
3	<p>Giving effect to te Tiriti</p> <p>Focuses on the role of and barriers for Māori in planning for and making decisions on adaptation. Highlights the need for the Crown to proactively work with iwi, hapū, and Māori groups to uphold Māori rights and interests</p>
4 and 5	<p>Risk assessment and local adaptation planning</p> <p>Focuses on discussing issues and options for risk assessment and adaptation planning which is aligned with work on national direction for natural hazards under the Resource Management Act [see CAB-23-MIN-0263.02 for decisions on this national direction]. This will ensure there is both:</p> <ul style="list-style-type: none"> • an informed basis for the inquiry to consider how risk assessment and planning will support decisions on a new system for retreat as well as deciding between different adaptation actions • alignment with work being led by the Minister for the Environment on this national direction and associated matters.
6	<p>Community-led retreat</p> <p>Focuses on discussing the powers needed for retreat and making decisions between retreat and other adaptation actions. Explains that retreat is not limited to residential property – it includes commercial property, infrastructure, community facilities, and land more generally.</p> <p>Includes discussion of potential powers for the management of land affected by decisions on retreat and who could exercise them. Powers focus primarily on ensuring land is no longer used, withdrawal of services, protection from liability, and intervention in other systems to resolve conflicts.</p>
7	<p>Funding and financing</p> <p>Discusses adaptation funding both generally and in relation to managed retreat. The chapter:</p> <ul style="list-style-type: none"> • describes how costs are currently met • describes why a new approach is needed • discusses objectives, principles and the overarching goal of any new funding approach • explores a default hierarchy of responsibility for different costs and situations where the government could be responsible for costs • considers potential initial priority areas and options for the government to

	<p>periodically review and report on those priorities</p> <ul style="list-style-type: none"> • describes possible options for allocating funding, including a local government climate resilience fund and a national property retrofit grant programme • considers funding and financing • describes options related to compensation for retreat. <p>The discussion draws on decisions made by Climate Response Ministers in December 2022, including that the overall objective of a new funding framework should be to reduce risk exposure to climate change exacerbated risks and shift the balance of investment from post-event response to reducing risk, including by enabling managed retreat.</p> <p>The chapter does not provide costings as such information is not currently attainable.</p>
8	<p>Adapting through recovery</p> <p>This chapter considers whether the enduring adaptation system could potentially be used to guide swift decision making on adaptation in the immediate aftermath of a disaster, such as on retreat and funding.</p>

30. The paper also includes questions to support the public submissions process run by the inquiry. These are intended to help focus public input on the key issues and options presented in the paper, and the provision of information to further the development of the CCAB.

Managed Retreat Expert Working Group report

31. In September 2022, the Secretary for the Environment established the Managed Retreat Expert Working Group. The overall objective of the Expert Working Group was to assist officials to develop detailed design options for a robust, equitable and enduring retreat system, and funding and financing adaptation as one part of the development of detailed policy design for the CCAB.

32. The Expert Working Group has 13 members with expertise in a range of relevant fields, including economics, planning, public policy, property law, and te ao Māori. The current Chair is Sir Terence Arnold KC.

33. The Expert Working Group's report considers in particular:

- the Crown's obligations to Māori under te Tiriti o Waitangi and provides non-exhaustive guidance on how these might be met
- the framework for making decisions to retreat (including processes and institutions)
- the powers necessary to implement retreat
- what the costs of retreat might be and how they might be met.

34. The report concludes that current (and proposed) legislative settings in relation to planning and associated matters are not sufficient to address the full range of issues raised by climate change adaptation, including retreat. The report observes that this was envisaged by the Randerson Report in recommending separate legislation to address retreat and funding.²

35. Key findings include:

- proposing a dedicated regime for retreat, rather than extending existing powers under local government and resource management legislation and the Public Works Act 1991
- that at the end of a retreat programme, land in the at-risk area should no longer be used (although there could be some very limited exceptions for things such as ceremonial events, transitory recreational activities, some agricultural or horticultural uses, and mahinga kai gathering)
- the system will need a mix of voluntary and mandatory elements, and the system should provide those affected with as much choice as possible (consistent with the need to reduce risk and have an efficient and effective system)
- there will be a need for the ownership of the land to change as part of the retreat process (except for Māori land)
- the need to embed community involvement and mātauranga Māori throughout the process
- the need for a compensation regime including:
 - payments for land value and structures depending on the status of the property (for example, principal place of residence, commercial property, second home, or rental property),
 - financial assistance for individuals (e.g. renters or those that do not own their home outright) and businesses that must relocate.

36. Officials from the Ministry for the Environment have reviewed the report and consider it provides a robust analysis of issues and believe it will be a valuable addition to the inquiry. The issues and options paper draws on the Group's report, but the Group's report is more detailed.

² The Resource Management Review Panel (2020) *New Directions for Resource Management in New Zealand*. This report is commonly referred to as the Randerson Report.

37. The Group's final report will be published alongside the issues and options paper and provided to the inquiry.

Engagement with iwi, hapū, and Māori

38. The Crown will need to proactively work with iwi, hapū, and Māori to understand and collaborate on how to uphold obligations under te Tiriti and Māori rights and interests, including Māori participation in planning and decision making.

39. I will write to Post Settlement Governance Entities (PSGEs) to inform them of the inquiry and to begin to discuss how we can meet the needs and interest of iwi, hapū, and Māori during the inquiry.

40. While the engagement plan will need to be set in collaboration with iwi, hapū, and Māori, the following table outlines the indicative approach to engagement during the inquiry through to the report back to the House in April 2024:

Engagement vehicle	Engagement approach
Tono-based approach	<ul style="list-style-type: none"> Treaty partners "tono" the Ministry to come and engage on the CCAB Ministry to join up hui opportunities with other related workstreams and keep Treaty partners updated through key channels Follows the successful Water Services Reform approach by designating key engagement leads to build relationships with Treaty partners (potentially utilising the Ministry for the Environment's existing engagement leads who are currently focused on the resource management Treaty settlement process) Enables an autonomous approach where the engagement plan is determined by iwi, hapū, and Māori, at place (including ahu whenua trusts and whānau trusts)
Joining up with other work programmes	<ul style="list-style-type: none"> Aligning and joining up with other workstream engagements, including all of government engagement, where appropriate Key workstreams to join up engagements with are the Natural Hazards Planning Framework and Future of Severely Affected Locations work programme Acknowledges the crowded Māori engagement landscape and follows feedback from Treaty partners to join up in engagement
National Māori Bodies/Roopū advice	<ul style="list-style-type: none"> Potential opportunity to get advice on the CCAB from Ihirangi Collaborate with Māori Climate Platform³ Continue to engage with and update key National Māori Bodies/Roopū

³ A key mechanism for working in partnership with Māori on the climate response is the Māori Climate Platform, currently in predevelopment stage. This platform is an "of Māori, by Māori, for Māori" approach to enabling Māori-led climate action, planning, and solutions. The Platform aims to empower Māori to play a role in adaption, mitigation and transition planning and support kaitiakitanga and tino rangatiratanga of people at place. Work on the platform is at the engagement and design phase with policy proposals due on 1 August 2023.

	<p>including (but not limited to) the National Iwi Chairs Forum, the Federation of Māori Authorities, the Freshwater Iwi Leaders Group, Te Tai Kaha</p> <ul style="list-style-type: none"> • Potential opportunities to engage with regional Māori bodies
Inquiry into community-led retreat and adaptation funding	<ul style="list-style-type: none"> • Utilising inquiry as a form of engagement to gauge feedback from Treaty partners mōtū-wide • Issues and options paper to build on Māori Affairs Committee Inquiry on Māori Climate Adaptation

41. The engagement plan over the course of the inquiry and longer term policy development will also include community groups, including those representing Pacific peoples.

42. This engagement approach will require consultation with the Select Committee to ensure they are comfortable with this approach. Officials will consider how best to keep the Committee informed of this engagement and report key findings to them. The engagement may need to happen after the election to comply with the various requirements of the pre-election period.

Next steps

43. Subject to Cabinet approval of the recommendations in this paper, I will provide the attached issues and options paper and Managed Retreat Expert Working Group report to the inquiry to support the opening of submissions. These papers will also be published on the website of the Ministry for the Environment.

Cost-of-living implications

44. The issues and options paper seeks input into how we can reduce the risks to communities associated with a changing climate. The cost of any future system changes is dependent on system design choices that will be considered through the inquiry process and is yet to be estimated. As policy work progresses during and after the inquiry, it will be important to consider different cost scenarios, including the potential for proactive adaptation measures to reduce future recovery costs, including flow on effects to the cost-of-living.

45. The Treasury estimates the overall costs of physical damage caused by the late January and February 2023 weather events in the North Island as between \$9.0 —\$14.5 billion. Those events have also placed significant cost pressures on particular land-use sectors due to destroyed crops and supply chain challenges. They have flow on effects to health and wellbeing of those in affected communities and increase the risk of exacerbating existing inequity.

46. Māori are disproportionately impacted due to pre-existing inequities, relationships with their whenua which are often located in high-risk areas, and because some affected communities (such as Tairāwhiti) have significantly larger Māori populations compared to the national average.

Financial implications

47. This paper does not have financial implications.

Legislative implications

48. This paper does not have legislative implications.

Impact analysis

Regulatory Impact Statement

49. The Ministry for the Environment Quality Assurance Panel has reviewed the issues paper, *Community-led retreat and adaptation funding – issues and options*, and confirms that it meets the requirements of an interim Regulatory Impact Statement.

50. The issues paper is likely to lead to effective consultation and public submissions to the inquiry into community-led retreat and adaptation funding.

51. The Panel noted the issues paper clearly sets out the context and issues for consideration and will support the upcoming inquiry. The Panel found the paper to be robust and comprehensive, although we note that the length should be further streamlined to assist with easier engagement on its content.

Climate Implications of Policy Assessment

52. A Climate Implications of Policy Assessment is not required for this paper.

Population implications

53. . Decisions on adaptation strategies will affect communities vulnerable to natural hazards and the impacts of climate change.

54. Communities exposed to multiple or high levels of natural hazard risks, as well as those with significant river systems and coastal land, will face greater impacts and costs in reducing risks from natural hazards and adapting to climate change.

55. As rural communities often have high levels of land use for business purposes, implications for affected rural communities may be disproportionate. These include impacts to property and livelihoods, as well as connection to land which has been in families for generations.

56. Areas subject to a higher risk of natural hazard events are often areas with higher socioeconomic deprivation. Those on lower incomes are more likely to be

significantly negatively impacted from the impacts of climate change due to their lower levels of financial resilience.

57. Many people feel an attachment to place, especially if they have cultural, social, employment, and intergenerational connections, as well as any other connections that contribute to their sense of identity and wellbeing. People are also concerned about how retreat will affect them financially.
58. Māori will be particularly affected because many marae, papakāinga, urupā and other taonga are located close to the coast or to rivers, and because of the nature of the relationship of Māori to whenua and awa. In addition, Māori freehold land is recognised in law as taonga tuku iho (an heirloom). Māori are also impacted by pre-existing inequities including level of housing insecurity and relatively low levels of home ownership.
59. For vulnerable groups such as older people, climate change may increase health risks. Access to life-supporting equipment may be disrupted during power outages and where a community needs to evacuate or move, people with physical disabilities or limited mobility will need help to do so. There will also be a need for readily available accessible housing and facilities.
60. Yet retreat may, for some, be the only viable strategy to address risk in the longer term. Community-led retreat can be contrasted with unmanaged retreat, where parts of the community (including the banking and insurance sectors) begin to relocate to move out of harm's way.
61. The inquiry, supported by the issues and options paper, provides an opportunity to involve communities now in the development of a system for retreat that is fair and affordable and involves high-quality community engagement.
62. Enabling development in areas of low risk is outside the scope of the inquiry and issues and options paper. That said, enabling development will become increasingly more important as those affected by a decision to retreat look to relocate and, as such, will need to be considered alongside this work.

Human rights

63. Proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of external resources

64. Ministry staff were redeployed to support the Future of Severely Affected Locations work programme, established following Cyclone Gabrielle and the Auckland Anniversary flooding events. KPMG were contracted to support policy work, in particular the preparation of content for the issues and options paper and inquiry, over a period of three months. Most of the work was undertaken in May and June 2023. The total expenditure was \$546,000.

Engagement

65. The Randerson Report proposed the CCAB as a third piece of legislation to complete resource management reform. Significant consultation was undertaken by the Panel in preparing their report.
66. Initial high-level consultation on retreat was undertaken as part of consultation on the national adaptation plan. Submissions were received on the retreat consultation document, *Adapt and Thrive*, from the public, key stakeholders, Māori and local government.
67. Throughout 2022, officials undertook targeted engagement with local government, and iwi, hapū and Māori. This included early engagement with Māori in March, May to June, and November 2022. This consultation focused on gaining an understanding of the unique perspectives across iwi/ hapū/ Māori groups and what a retreat system looks like for Māori.
68. Officials conducted further targeted engagement from the end of February to mid-April 2023 on adaptation planning including:
 - targeted in-person meetings with local government and Māori partners at place (where possible) in Canterbury, Te Tairāwhiti, Otago, Wellington, Auckland, Te Tai Tokerau, and Bay of Plenty
 - meeting with local government representative groups including the Resource Managers Group, Local Government Steering Group, Taituarā Resource Management Reform practitioners, Aotearoa Climate Adaptation Network and the River Managers Special Interest Group
 - regional Māori engagement as part of resource management reform, including an adaptation component, in Taranaki, Kirikiriroa, Te Arawa, Wellington, Takitimu, Tairāwhiti, Tauranga Moana, Manaawātū, Tūwharetoa, Te Tai Tokerau, Tamaki, Mātaatua, Waipounamu, and Southland.

Agency consultation

69. Consultation has been carried out with the Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development; Ministry for Culture and Heritage; Ministry of Health; Ministry of Transport; Ministry of Business, Innovation and Employment; Ministry of Primary Industries; Ministry of Social Development; the Department of Internal Affairs; the Department of Conservation; the Department of Prime Minister and Cabinet; Kainga Ora; the Treasury; the National Emergency Management Agency; Te Puni Kōkiri; Te Waihanga; Waka Kotahi; Land Information New Zealand; Toka Tū Ake EQC; and Te Arawhiti.
70. Ministerial consultation occurred from 12 to 25 July. Feedback was received from the Minister for Emergency Management, the Minister of Internal Affairs, and the Minister of Housing and Urban Development.

Communications

71. Communications relating to this issues paper and associated inquiry will need to be carefully distinguished from communications on related work including:

- new national direction to manage natural hazard risks under the Resource Management Act 1991
- the government inquiry into the response to the North Island severe weather events
- decisions made on the Future of Severely Affected Locations.

Proactive release

72. The proactive release of this Cabinet paper is proposed following publication of the issues and options paper and Managed Retreat Expert Working Group report.

Recommendations

The Minister of Climate Change recommends Cabinet Business Committee (CBC):

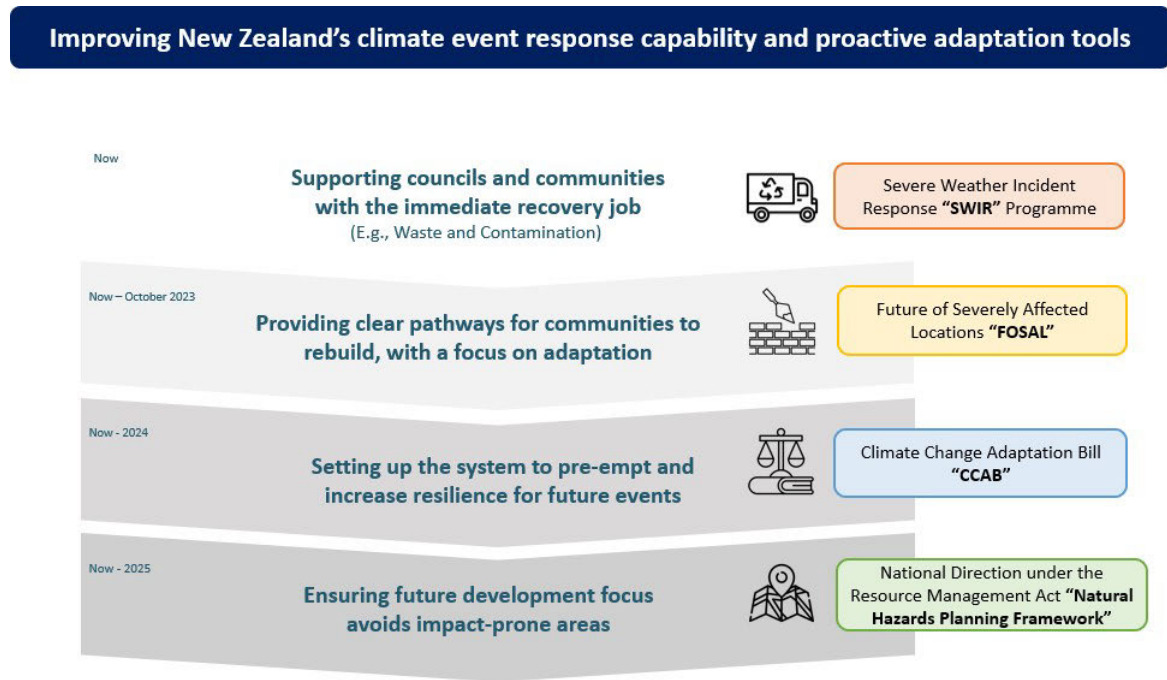
1. **note** that on 26 June 2023, Cabinet [CAB-23-MIN-0263]:
 - 1.1. agreed to request the Environment and Māori Affairs Committees initiate an inquiry into community-led retreat and adaptation funding, supported by an issues and options paper;
 - 1.2. authorised the Minister of Climate Change to refine the proposed terms of reference for the inquiry prior to formally requesting the initiation of the inquiry;
2. **note** that logistical and procedural concerns have prevented the establishment of a joint inquiry at this point;
3. **note** that the proposed terms of reference for the inquiry have been revised after discussions with the Chair of the Environment Committee and are attached;
4. **note** that officials from the Ministry for the Environment will act as advisors to the Select Committee, with support from technical experts from across all of government;
5. **note** that officials will consider the best approach for advising the Select Committee on the lessons learnt through the inquiry into the North Island severe weather events and future of severely affected locations workstream;
6. **note** that the attached issues and options paper covers:
 - 6.1. key context including the government adaptation work programme;
 - 6.2. the need for change (focusing on the absence of a community-led retreat system and gaps in the funding approach;
 - 6.3. role of Māori and giving effect to the principles of te Tiriti;
 - 6.4. risk assessment;
 - 6.5. community-led adaptation planning;
 - 6.6. community-led retreat and adaptation decision making;
 - 6.7. funding and financing;
 - 6.8. recovery;
7. **agree** to the release of the attached issues and options paper on community-led retreat and adaptation funding to support the inquiry;

8. **authorise** the Minister of Climate Change to make minor accuracy and editorial changes to the issues and options paper prior to its release;
9. **note** that in September 2022, the Secretary for the Environment established the Managed Retreat Expert Working Group;
10. **note** that the overall objective of the Group was to assist officials to develop detailed design options for a robust, equitable and enduring retreat system, and funding and financing adaptation;
11. **note** that the Managed Retreat Expert Working Group report will be released alongside the issues and options paper, and will also be provided to the inquiry.

Appendix A: Community-led retreat and adaptation funding – issues and options

Attached separately

Appendix B: Diagram of work to improve New Zealand's climate event response capability and proactive adaptation tools



Appendix C: Proposed Terms of Reference for inquiry into community-led retreat and adaptation funding

The purpose of the inquiry is to advise the House in April 2024 on issues, options and recommendations for climate adaptation, in particular community-led retreat and adaptation funding. This will include recommendations for legislative proposals for the Climate Change Adaptation Bill.

The terms of reference for the inquiry cover:

- the current approach to community-led retreat and adaptation funding, its strengths, challenges, 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
- 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
- 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.