

‘Building a
climate-resilient
Aotearoa –
together.’



Adapt and thrive: Building a climate-resilient New Zealand

Draft National Adaptation Plan

Local Government New Zealand’s submission on the draft National Adaptation Plan

June 2022

We are. LGNZ.

We are. LGNZ. Local Government New Zealand (LGNZ) provides the vision and voice for local democracy in Aotearoa, in pursuit of the most active and inclusive local democracy in the world. LGNZ supports and advocates for our member councils across New Zealand, ensuring the needs and priorities of their communities are heard at the highest levels of central government. We also promote the good governance of councils and communities, as well as providing business support, advice, and training to our members.

Summary

- New Zealand’s first National Adaptation Plan and the milestone it represents is notable.
- However, the Plan is not nearly ambitious enough. It fails to respond appropriately to impacts already being felt by communities, and the latest sea level rise predictions. A much stronger plan is needed, which outlines meaningful, outcome focused actions; provides direction to local government, communities and other stakeholders; provides local government with support and resources to undertake community engagement on adaptation; and clarifies funding and investment mechanisms, priorities and thresholds – including a scenario-based, outcomes focused approach to establishing Crown investment and funding.
- The Plan is silent on partnership or collaboration with local government, or iwi/Māori, communities or business. Partnership will be critical to the success of adaptation. The important and proactive climate adaptation work LGNZ, local government and communities have achieved and are delivering needs to be reflected in the Plan. They will be key to its success.
- We support requiring an integrated, collaborative, joined up, intergenerational process for communities to drive and inform adaptation action in their rohe.
- The proposed managed retreat framework part of the consultation will have the most widespread and long-term benefit for New Zealand. However, reference to the other stages of adaptation – protect and accommodate - need to be included.
- We recommend four areas as the most urgent and needed in the Plan:
 - a co-designed national framework;
 - sharing the costs of adaptation;
 - Government investment in resilience; and
 - better integration with wider reforms impacting on local government and communities.
- The Government would be wise to invest proactively in climate change adaptation initiatives and measures now, to reduce community risk to tolerable levels and reduce the need for costly, reactive input. Co-investing in flood protection infrastructure is one way the Government could do this.
- Despite the Plan, business as usual will continue. Local government will continue to play a leading role in risk management and adaptation. Transformational changes will come from

outside of central government. Therefore, LGNZ and the local government sector should be a partner in the Government's ongoing climate change adaptation work.

This submission

LGNZ welcomes the opportunity to submit on the Draft National Adaptation Plan (the Plan) and the discussion document *Adapt and Thrive: Building a climate-resilient New Zealand*.

This submission sets out:

- an overview of the approach local government is already taking to adapt its communities to climate change;
- a high level critique of the Plan; and
- the key and most urgent issues and opportunities the Plan needs to address, and recommendations for the how these areas might be progressed. While some of the actions that are needed will require long-term work and significant investment, we also believe there are many opportunities to make meaningful progress and increase resilience in the short to medium term.

The limited period to prepare submissions on the draft Plan has constrained the ability of elected representatives and council officers to substantively engage with and seek input from their communities (especially iwi/Māori) and participate in informed debate over the content of the Plan and its implications. This is undesirable given the importance of adaptation to our communities, and the critical role that local government plays in adaptation at the local level.

We welcome the opportunity to discuss this submission with you, or to assist with developing further analysis or recommendations to inform the next stage of the Plan's development.

Background

Risks are being realised now

Extreme rain, drought and wildfire risk are increasing in many places and are being observed with greater frequency and intensity across the country right now.

For example, the frequency of short-term drought in Blenheim and Dunedin is increasing; Auckland experienced its longest dry spell in early 2020, which finally ended after 47 days; and wildfires have scorched hundreds of hectares in Kaimaumuau, Pigeon Valley, the Port Hills and the Awarua-Waituna coastal wetland. Instances of extreme weather events are becoming more frequent.

About 675,000 (or one in seven) people across New Zealand live in areas that are prone to flooding, which amounts to nearly \$100 billion worth of residential buildings that are at risk. A further 72,065 people live in areas that are projected to be exposed to extreme sea-level rise. Approximately \$5 billion of local government owned infrastructure is exposed to sea level rise.

The recently released research published by NZ SeaRise Te Tai Pari O Aotearoa shows that, in many places, rising sea levels due to climate change will impact Aotearoa as soon as 2040, rather than 2060 due to land subsidence being factored in. This means local and central government's time to react is effectively being squeezed.

As the climate continues to change, more and more communities and assets will be exposed to the impacts of climate change. Urgent, proactive action to adapt our communities to climate change is needed now.

Local government's proactive history at the forefront of hazard risk management

LGNZ and the local government sector have recognised climate change as a significant challenge for a number of years now. LGNZ's work has largely focused on raising the profile of climate change as a critical issue – and one needing action – within the local government sector, as well as influencing the Government's work on climate change.

LGNZ advocated strongly for the introduction of the Zero Carbon Act, and the requirements set out in it for the Government to produce a National Climate Change Risk Assessment and National Adaptation Plan. LGNZ has been calling for greater support for councils from the Government to undertake climate change adaptation planning and action – including consistent national direction, a national managed retreat framework, support for having hard conversations about adaptation with communities and clarity around how the costs of adaptation will be met.

At LGNZ's 2020 AGM, 98 per cent of the sector supported a remit directing LGNZ to advocate for the Government to undertake, in collaboration with all of local government, a comprehensive review of the current law relating to natural hazards and climate change adaptation along New Zealand's coastlines, and coordinate the development of a coastline strategy for the whole of New Zealand.

Councils also have significant experience administering legislative and policy provisions relating to natural hazards, including flooding, sea level rise and climate change. Many councils, with neighbouring councils and collectively as regions, have developed adaptation frameworks and plans with their communities, including Climate Adaptation Te Tai Tokerau, Wharekawa Coast 2120, Hawkes Bay Clifton to Tāngōio coastal hazard strategy, Takutai Kāpiti: community-led coastal adaptation, Christchurch City Council's Coastal Adaptation Framework and the Otago Regional Climate Risk Assessment.

These are just a few examples of local government's proactive work at the forefront of climate change adaptation and hazard risk management across New Zealand. Councils have openly shared their experiences and resources with Crown agencies and with other territorial and regional authorities. However, the Crown is and has often been missing from these collaborations.

Addressing climate change hazards demands a step-change in approach. Councils, who continually bear the brunt of the impacts of climate change know fundamentally what is needed is to move beyond business as usual: comprehensive planning, hard conversations with communities, and significant investment to mitigate and adapt to the risk climate change poses to their communities. Councils need central government's support.

Given LGNZ and the local government sector's strong history in leading climate change adaptation work, we must be a critical partner in the Government's ongoing climate change work.

Our concerns: Not ambitious enough. Unassertive. Lacking in meaningful direction and investment.

Although the Government deserves credit for acknowledging the climate crisis facing Aotearoa, and responding with a plan, our view is that the Plan is decidedly unassertive considering the latest sea level rise predictions. In areas where land is subsiding at a high rate, such as Auckland and Wellington, 30cm of sea level rise is expected in twenty years' time. This halves the time some councils have to implement adaptation plans for coastal communities. The Plan, for the most part, reads as a list of numerous (140) Government policy programmes and initiatives that are already in existence or underway, that fall under the banner of, or will influence, adaptation.

The Government has a clear picture of the top-priority climate risks from its first National Climate Change Risk Assessment released in 2020. Given the significant and increasingly urgent risks currently facing New Zealanders, we need to see a much bolder and directive Plan, and need to see action before 2028. We also urge the Government to prioritise implementation of, and committing funding to, the Climate Adaptation Act (CAA) and managed retreat framework much sooner than 2025. Many of our communities need the certainty that the CAA and managed retreat framework will provide right now.

This is a six-year plan, and as such will guide the action we collectively take on adaptation for a considerable period of time. It has lost the opportunity, beyond setting the foundations for climate resilience and adaptation, to make any meaningful steps in reducing or let alone taking action to address climate risk before 2028.

We had hoped to see a plan that was significantly more ambitious, and a plan that set out concrete, tangible actions that would really drive adaptation action in our communities. We had hoped too for much greater clarity around how the costs of adaptation would be met – including significantly more investment from central government.

Disappointingly, the Plan does not reflect a partnership approach with local government, or iwi/Māori, communities and business. While we understand that this is the Government's plan for climate change adaptation, the opportunity to bring local government, iwi/Māori, communities, business and other stakeholders along has been missed – particularly given that it's at the local level that adaptation action will ultimately be delivered. At its heart, the Plan does not provide clarity on the different points of integration across work programmes, policy initiatives and reforms to enable adaptation action (for example the Resource Management and Three Waters reforms).

The current focus of the Plan is largely on the coastal inundation. It needs to be much more all-encompassing of other hazards and rohe. Similarly, we are concerned there is no prioritisation of rohe where risk is highest and adaptation action is needed most, and with urgency. While many of the actions will obviously have value, our view is that a business as usual approach to how New Zealand addresses the crisis will continue. Local government will continue to play a leading role in adaptation and managed retreat, with central government playing an ad hoc role.

We hope subsequent versions of this Plan prioritise outcome-focused actions and provide direction for other parties, with associated committed investment from the Government to support those parties, recognising the importance of local government, asset owners,

iwi/hāpu/Māori and business in adapting communities, infrastructure and land use to the impacts of climate change.

What we like

The proposed managed retreat framework part of the consultation document is likely to have the most widespread and long-term benefit for New Zealand. Broadly we support the proposed process, principles and objectives. The proposed process seems to be efficient, fair, open and transparent. Putting the right nationally consistent frameworks and settings in place, and enabling everyone to assess and manage their own risks, will establish the foundation for adaptation action – with retreating from at risk areas being one way to manage the risks of climate change and natural hazards.

Heeding the call of scientists, we support the Government's commitment, as set out in the Plan, to filling the socio-economic, Māori-led mātauranga Māori and kaupapa Māori research gaps that have been identified.

Key priority areas and recommendations.

To support councils, iwi/Māori, communities and other key stakeholders to adapt to the impacts of climate change at the local level, we believe the following actions must be addressed in the final version of the Plan. These are actions that central government needs to prioritise work on and investment in with urgency.

1 - There must be a co-designed national adaptation framework that is locally delivered

Recent events across Aotearoa New Zealand – including responding to pandemics, local states of emergency or addressing climate change - highlight the need for a national approach, with clearly defined roles and responsibilities for individuals, iwi/hapū, communities and government (including a consistent approach to central and local government cooperation) to combine national resources with local information and responsiveness. Partnership with local government and mana whenua to deliver adaptation action at the local level is critical.

The proposed national managed retreat framework part of the consultation is likely to have the most widespread and long-term benefit for New Zealand, and we are pleased that the discussion document provides for managed retreat to be applied to current risks, as well as climate change impacts. However, retreating from hazard prone areas is only one way of managing the risks of climate change and natural hazards.

The discussion document jumps straight to retreat, without considering the other pou of adaptation - protect and accommodate. Although managed retreat is likely to be the most effective long-term risk reduction strategy, it shouldn't be seen as the only response, but rather one of a suite of options to deal with climate vulnerability that need to be evaluated for suitability alongside all other approaches. In many cases, managed retreat is likely to be a last-resort option.

Ideally, adaptation response planning will combine the resources and powers of central government with the knowledge and networks of local organisations and groups. We support a nationally consistent framework which requires community input and guides local flexibility to produce a set of actions and options that guide local adaptation and communities' different contexts. We would expect that the process and resulting plans won't be identical for every

community – because impacts will be felt by different people and regions in different ways, and all communities will have different abilities to respond and co-design solutions that will work for them.

Without a clear, nationally consistent framework for how to approach adaptation planning, some councils and communities are struggling to know where and how to begin. The hard and emotional nature of adaptation conversations means that councils can get caught up in situations where their communities challenge their attempts to get adaptation planning underway – which doesn't help us make the progress we need. Having a clear national framework on how to approach planning will make getting underway with the job of planning easier for councils and communities.

Councils are uniquely well placed to understand the specific needs of their people and places and are a crucial part of delivering solutions on the ground – in partnership with communities. Requiring local government, iwi/Māori and communities to identify and understand the hazards affecting their area and exploring options for reducing risks will form strong foundations and outcomes that communities are actively engaged with and support. Together, councils, central government, iwi/Māori and communities should determine when certain areas, infrastructure and properties would need to adapt – either at a particular point in time or when a particular threshold is reached – and develop a plan to action this. We recognise in reality this will be less straightforward and that these conversations with communities will be hard and emotional ones.

Councils' democratic mandate means they have the potential to help get communities on board (including through education, participation and service delivery) but they need help to do this. As such, LGNZ is disappointed that this Plan does not include national guidance on how to progress adaptation conversations and planning within communities including:

- Promoting the MfE Guide to Local Climate Change Risk Assessments as a first step to progressing adaptation responses.
- Guidance and methodologies on how to move from risk analysis to risk mitigation and options identification.
- Principles, scenarios and priorities to inform adaptive planning.
- A decision-making framework for adaptation (that includes the pou of protect and accommodate, as well as retreat).
- Practical guidance on how to effectively engage communities on and in the development of adaptation plans.
- Guidance to address liabilities, loss of rating revenue, existing use rights, at risk infrastructure retirement and arrangements for finance, funding and governance.

The sheer scale of the adaptation challenge means that in some cases local government and communities will need central government's input into and support for local level planning. A nationally consistent framework should clearly articulate the roles and responsibilities that central government will play in locally-led adaptation planning, and in delivery.

Clear accountability is a precursor to guaranteed delivery – and a nationally consistent framework will help to achieve this. Without a clearly defined approach and allocation of roles and responsibilities, we are concerned that New Zealand risks seeing a "responsibility deficit" where there is failure to deliver due to the relevant parties not understanding who is responsible for what. LGNZ would like to see clarification of the roles and responsibilities of local authorities and central government, as well as individuals and communities, iwi/hapū, banks and insurers and other key stakeholders.

Recommendations

To address the challenges and opportunities identified above, we recommend that the Government considers the following as it finalises the Plan:

- The discussion document should be reconfigured to demonstrate the three stages of adaptation: protect, accommodate and retreat. Retreat is not the only option available to councils and communities – and the discussion document needs to reflect this.
- Central government must work with local government to establish a clear policy framework that supports climate change adaptation at the local level. Such a framework must clearly set out roles and responsibilities, principles, scenarios and priorities, and define funding arrangements for adaptation action. The framework should identify a flexible and wide-ranging set of options for adapting to climate change and comprehensive practical measures that would support councils to better engage with their communities on climate change adaptation.
- We need to give certainty to communities around priority areas for adaptation action, and the timeline for community conversations, planning, decision-making and action. Our communities need to know which will be first, and when or where financial resources can be accessed to support them. Local government is well-placed and ready to work with the Government to identify the areas where climate adaptation action (and managed retreats) should be prioritised.
- All guidance and policies should be co-created with council practitioners and iwi/Māori – or we risk the guidance not being fit for purpose or workable.
- Any national framework should prompt councils, iwi/Māori and the community to use the MfE Guide to Local Climate Change Risk Assessments approach as a first step. This guide requires risks to be assessed against the four wellbeing's, allowing for communities' environmental, social, economic and cultural values to be considered.
- The Ministry for the Environment and Land Information New Zealand, in conjunction with stakeholders such as NIWA and the Deep South National Science Challenge, should develop guidance for councils on how to communicate scientific and technical information to communities, including by providing best practice examples of community-centric science communication, and a series of questions councils can ask communities to ascertain the type and amount of information they want access to. This guidance should address psycho-social considerations associated with the communication of uncertain or complex climate change information.
- The Government should also give consideration to scaling up the Just Transitions Unit to support community conversations around adaptation and assist councils and communities (particularly vulnerable ones) address adaptation issues.

2 - The costs of adaptation must be shared by central and local government, businesses and property owners

Underpinning climate adaptation (and mitigation) is the political will and resourcing to make it happen. Three-year electoral cycles at a national and local level, and budgets that are at the whim of politics, can make it difficult to make progress on adaptation – even with good plans in place.

While LGNZ recognise the importance of this Plan, we are concerned this is another case of central government direction and policy not being followed by funding. The Government's focus with this Plan appears to be on liability reduction – as opposed to focusing on how it can invest in broader outcomes for people and the environment.

We are surprised there isn't more clarity or thinking around the Government's investment in adaptation – and how these costs get shared with other parties – in the Plan. The Crown has been hearing from local government, communities, banks, insurers, academics and others for many years now that working out how the costs of climate adaptation will be met and shared is a significant challenge that needs early resolution.

Despite the Plan, local government has reservations about where the funding for critical adaptation action will come from. Local government and its communities won't be able to bear all the costs and risks of adaptation on their own. The local government rating system alone will be insufficient to finance community adaptation, and councils are finding it challenging to continue to rely on targeted rates – which will not be sufficient or sustainable in the long-term. Equally, we recognise that central government can't – and shouldn't – bear all the costs and risks of adaptation.

There will be a range of costs associated with adaptation, which different parties will face. Central government needs to take a leadership role and help local government and other stakeholders work out an equitable and clear framework for how these costs will be met, rather than relying on market forces. This needs to take account of the needs of communities, including different situations, vulnerabilities, and abilities to pay.

We recognise risks and responsibilities will need to be appropriately shared across property owners, local government, central government, and the banking and insurance sectors to ensure fairness and equity for and between communities, including across generations. We also recognise that property owners will likely need to shoulder some of the costs associated with adaptation, and do tend to agree with the Government's preliminary view that intervention should be oriented towards supporting those who face hardship. We know that working out the share of costs and liabilities that property owners should be responsible for will be a challenging task, particularly given the emotional attachment that individuals have to their homes and our societal and cultural preferences for living in high-risk areas such as on the coast and by rivers. Property owners are also going to be reluctant to move from high-risk areas unless they retain some or all of the value in their asset/s.

The challenging nature of these conversations and sharing of risks and costs to be considered in light of wider community interest, means it's important that central government leads the conversation proactively. The finance, banking and insurance sectors will need to be involved, and need to work with central and local government to find ways to incentivise people to adapt or retreat through mechanisms such as property transfer programmes, incentivising resilience

improvements and developing alternative sites (with infrastructure) for relocations. We shouldn't leave the courts to resolve these issues in an ad hoc way, as this will create too much uncertainty for communities.

Recommendations

To address the challenges and opportunities identified above, we recommend that the Government considers the following as it finalises the Plan:

- To guarantee the longevity of this work, the Government needs to ensure it gains cross-party support for the National Adaptation Plan, its funding and the wider Government climate change work programme.
- The Government needs to start and lead a conversation in partnership with local government, communities, iwi/hapū, insurers, banks and other key stakeholders to come up with a clear framework for how the costs of adaptation will be shared – it shouldn't do this in isolation of the other stakeholders that will have to bear the costs of adaptation.
- Clarity is needed on what and when central government will fund or contribute to local adaptation action and managed retreat processes. We recommend Government take a principled approach to establishing what funding and investment will be available when a particular time or a particular threshold is reached – as opposed to the approach proposed by the Government in respect of its participation in funding adaptation and managed retreat programmes in Table 2: “limit the Crown’s fiscal exposure”.

Taking a principled approach to funding, that includes consideration of broader wellbeing outcomes will contribute towards a more holistic framework. Such principles and outcomes could include:

- Community wellbeing: adaptive planning improves the social, cultural, environmental and economic wellbeing of our communities.
- Te Tiriti: adaptation approaches, planning and action give effect to the principles of Te Tiriti o Waitangi.
- Roles and functions: a system with well-defined roles and responsibilities.
- Community voice and local participation: communities are involved in adaptive planning and decision-making and a diverse range of voices are enabled to make meaningful decisions about their places and wellbeing.
- Equity: adaptation costs are spread across current and future communities.
- Collaboration: a system that promotes a joined-up, collaborative approach to enhancing community wellbeing and draws on the strengths of multiple partners.
- Funding and affordability: there is financial capacity to address challenges and adapt to changing circumstances in a sustainable and effective way.

- Voluntariness: those communities who're ready to move should be able to move now.
- Public good: central government contribution/ funding is available where the cost of the solution exceeds the funding capability of the property/asset owner(s) and/or community/communities.
- Another option is developing scenarios for when and how the Government will get involved in funding or contributing to climate change adaptation action. Such scenarios could include when a physical hazard (sea level, inundation / flood occurrence, drought days, wildfire) is experienced, and consider the impact on a community (eg degrees of exposure, population size affected, deprivation index, land area affected, clean up/replacement costs, cultural taonga impacted, physical health).

Should the Government progress with a scenarios approach, we consider that a nationally prioritised approach to adaptation investment would assist. Such an approach should be:

- Informed by the NCCRA and hazards modelling and mapping;
- Informed by an understanding of where the greatest impacts on communities, infrastructure, sites of cultural significance, the environment, the economy and land use activities will be experienced; and
- Take a principled approach to determining investment or co-funding.

Such an approach could mirror how Waka Kotahi funds investment into the local roading network, for example, by prioritising council-approved adaptation/resilience plans/projects for implementation at a regional and national level.

- Central government should establish a contestable Climate Change Adaptation Community Engagement Fund, to support councils to undertake engagement on adapting to climate change, by making funding available for additional resourcing such as engaging specialist engagement staff, technical experts or commissioning advice. Preference should be given to councils embarking on significant engagement projects, and smaller councils with fewer resources seeking to put an engagement project in place. Councils that receive funding should be required to share lessons learnt from their engagement process via a reporting back mechanism, with these lessons to be shared widely with councils and central government agencies.
- Regardless of the approach taken by the Government, we recommend that a useful first step would be to map the community impacts of different climate change hazards. This is needed to inform communities' options when developing their adaptive actions to be implemented over time and to help them understand the financial resources that may be needed.

3 – Central government are encouraged to invest in resilience

There is little consideration in the Plan of investing in resilience as a means of offsetting risk. That's despite the Plan providing an ideal opportunity for the Government to outline how it plans to proactively invest in resilience now, to reduce longer-term community risk to tolerable levels.

Resilience is a measure of the capacity of our communities, built environments, businesses, economy, infrastructure and natural ecosystems to respond and adapt, in this situation, to climate change impacts and natural hazards. Resilience decisions anticipate, prepare for and adapt to changing conditions, seeking to lower the risks, vulnerability and consequences. Approaches can take a range of forms including planning responses, adaptive design and engineering methods, and behavioural change and education.

Councils know that taking a planned approach to adapting to the impacts of climate change will be less painful and costly than managing the risks and impacts through reactionary measures, as is typically the current approach. Investment in regional flood protection schemes is one example of proactive investment that provides resilience and security to communities, infrastructure, the economy and land use activities.

Floods are New Zealand's most frequent and most significant natural hazard, and cost the country around \$160 million per year. Floods are the climate hazard most able to be mitigated through proactive, well-proven protection schemes, and are also the natural hazard that has provided the best return on investment from active 'risk reduction' measures. Currently, flood damage is in most cases avoided because of the efficacy of existing flood protection schemes.

Considering climate change risks, the cost of upgrading and maintaining flood protection schemes to meet future 'acceptable levels of risk', including the protection of Crown-owned assets, is beyond the reasonable capacity of ratepayers to meet on their own. Te Uru Kahika (the Regional and Unitary Councils of Aotearoa New Zealand) have recently highlighted the urgent need for investment in flood protection schemes and requested co-investment in those schemes by central government of approximately \$150 million per annum to protect communities and investments in hazard prone areas.

Without Government co-investment in flood protection schemes, the risk of communities facing flooding will be exacerbated, and insurers will likely increase the premiums they charge for protecting private property in flood prone areas. In some instances, we anticipate insurers may even withdraw coverage.

Investment in nature-based solutions is another way to proactively invest in building resilience. Natural solutions protect, sustainably manage, and restore natural and modified ecosystems – and offer multiple benefits, for example restoring coastal wetlands, absorbing impacts of increased storminess, providing biodiversity and act as carbon sink, while also providing cultural and recreational values. Such investments would be consistent with other, broader objectives that the Government has for the environment. The Plan should be updated to encourage and support councils and communities to invest in nature-based solutions.

Government co-investment in resilience approaches now, such as flood protection schemes, would reduce risks to communities and Crown assets to a more tolerable level, while being considerably more prudent and less costly than managing the risks through reactionary post-event measures.

Recommendations

To address the challenges and opportunities identified above, we recommend that the Government considers the following as it finalises the Plan:

- The Government needs to invest in resilience measures and initiatives to proactively reduce risk and limit costly, reactive responses. The Plan should more clearly outline a commitment by the Government to doing this – and principles to guide its investment approach.
- We strongly urge the Government to commit, in the NAP, to co-investing in the upgrade and resilience of flood protection schemes. As set out in the Te Uru Kahika proposal, a long-term funding formula could include central government:
 - Investing up to 75% assistance toward the cost of works to recognise the importance of adopting a whole catchment climate change adaptation approach, alongside achieving a wide range of other objectives.
 - Investing up to 50% toward the cost of the capital works required to upgrade existing river management and flood protection works.
 - Investing 33% toward the maintenance of existing scheme works.
 - Investing 75% towards the emergency repair of flood protection assets where substantial damage occurs from major storm events.
- Local and central government and business, including lifeline utilities, should be encouraged to progress business resilience planning to adapt quickly to disruptive events and ride out longer climate uncertainty.
- The Government should also look at developing information resources, messaging and engagement programmes targeted at businesses, families and whānau to support improving their climate resilience – be that in a personal or commercial capacity. This could take a similar format to the Civil Defence and Emergency Management’s guidance, *‘Get your household ready for an emergency’*.
- Investment in resilience initiatives (such as those outlined above) could be funded through the Climate Emergency Response Fund (CERF). Although climate-resilience initiatives are in the scope of the CERF, we are concerned that to date investments from that fund have primarily been towards decarbonisation initiatives.

4 - The National Adaptation Plan must integrate with the Government’s wider reform programmes

While the Government’s policy programmes and initiatives outlined in the Plan offer significant benefits, there is little indication as to how these will integrate with each other to holistically enable adaptation. For example, we recognise and support the logic that provisions of the proposed Natural and Built Environments Act (NBA) and Spatial Planning Act (SPA) will help to facilitate proactive planning through identification of hazard areas, to inform both the location of

future developments and areas needing adaptation. We agree that in theory the proposed spatial plans should lessen the likelihood of managed retreat being required for future developments.

However, it is difficult to see how this will play out without understanding the priority that will (or should) be given to adaptation and managing natural hazard risk vis-à-vis the 16 other unprioritised outcomes that were set out in the exposure draft of the NBA, and without having any clear sight as to how the Plan will integrate with the proposed National Planning Framework. For example, the changes to housing intensification rules that were made via the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act don't necessarily align with adaptation goals. Councils need national rules and direction that clearly specify that no new development is allowed in identified hazard areas. This will provide councils and communities with certainty, and reduce the likelihood of councils caving into pressure from property developers and communities to allow development to proceed in unsuitable areas.

While the Climate Adaptation Act (CAA) will provide tools, processes and powers to plan and enable managed retreats, it is on a considerably slower track than the NBA and SPA. Without an integrated set of legislation, we anticipate that councils will be left uncertain as to what powers and tools will be available to them for adaptation.

Recommendations

To address the challenges and opportunities identified above, we recommend that the Government considers the following as it finalises the Plan:

- We encourage the Government to give greater consideration to how its adaptation plan will align with the timing of and transition arrangements for other reform and policy programmes. LGNZ suggests that a summary should be provided in the Plan which demonstrate how all of the various reform programmes and policy initiatives underway will integrate to enable adaptation.
- We also strongly encourage the Government to revisit its current position that the list of outcomes for the natural and built environment set out in the NBA be unprioritised, and that the exercise of prioritisation be left to regional joint planning committees. The Government needs to provide nationally consistent direction by making clear decisions about how the trade-offs between different and competing outcomes (such as adaptation and enabling housing and infrastructure development) should be managed.
- Government needs to work with local authorities and land developers and prescribe a more holistic approach to land, flood plain and water management now - to ensure no time or opportunity are lost before the CAA is enacted.
- A national spatial strategy (and the suggestions the Local Government Resource Management Steering Group has made around this) would help to provide certainty around significant areas that are suitable or unsuitable for future development, and where future adaptation action may be needed. A national spatial strategy would help to provide tools to restrict further development in areas of high or increasing risk, and facilitate the retreat of communities, homes and infrastructure from areas where risks

are intolerable. Priority should be given to developing a national spatial strategy ahead of full implementation of the new resource management system.

- Given that the transition to the new resource management system will take some time, we recommend the Government makes allowances for fast-track revisions to existing Regional Policy Statements and District Plans to give effect to a high level national spatial strategy, to allow for new climate change provisions that pre-empt the CAA, and restrict further development in areas of high or increasing risk in the short term.
- Regardless of any of the above being implemented, LGNZ will continue to work with the Ministry for the Environment on the reform of the resource management system, including helping to ensure that the three pieces of legislation integrate to support adaptation action, and that climate change adaptation is addressed in relevant parts of the proposed National Planning Framework.

Conclusion

LGNZ recognises the significance of New Zealand's first National Adaptation Plan and the milestone it represents. The Government deserves credit for acknowledging a climate crisis and responding with a Plan that brings together actions already happening and wider pieces of work that will influence adaptation.

However, we believe a stronger plan is needed. We urge the Government to revisit its draft and develop a Plan which outlines meaningful, outcome focused actions and direction for adaptation; that provides direction to local government, communities and other stakeholders; and that provides clarity on funding and investment mechanisms, priorities and thresholds.

The Government must recognise the important and proactive work local government has done and is doing to adapt communities, infrastructure and land use to the impacts of climate change. Working in partnership with local authorities, who continually bear the brunt of the impacts of climate change and are at the forefront of proactive hazard management, will help Aotearoa New Zealand move beyond business as usual and enable the Government to establish a clear policy framework and solutions that will work for councils and their communities. Although we understand that this is the Government's plan for how it will support climate change adaptation in Aotearoa, it must work in partnership with and better outline how it plans to support local government. The Government needs local government – because adaptation action cannot be delivered from Wellington alone. Real, tangible and meaningful progress on climate change will only be made at the local level.

LGNZ looks forward to continuing to work with the Government to refine and contribute to the final National Adaptation Plan and in the longer term as we move to implementation.

Appendix 1 – Summary of recommendations

Number	Recommendation
General	
1	Partner with LGNZ, and the local government sector, to further develop policy and system analysis to inform the next stage of the Plan's development.
2	The Plan and proposed managed retreat framework need to better touch on all aspects of community wellbeing.
3	Ensure the Plan includes examples of adaptation work underway in councils and communities across the country.
National framework allowing for local delivery	
4	Retreat is not the only option available to councils and communities – and the discussion document needs to reflect this.
5	Work with local government to establish a clear policy framework for climate change adaptation. This should set out roles and responsibilities, principles, scenarios and priorities, and define funding arrangements for adaptation action, and should encourage councils, iwi/Māori and communities to use the MfE Guide to Local Climate Change Risk Assessments as a starting point.
6	Develop guidance for councils on how to communicate scientific and technical information to communities and engage them in hard conversations on adaptation.
7	Consider scaling up the Just Transitions Unit to support councils and communities to engage in adaptation conversations and address adaptation issues.
8	Develop scenarios for when and how the Government will fund or contribute to local adaptation planning and action.
9	Identify and clearly state areas where climate adaptation action (and managed retreats) should be prioritised.
10	Map the community impacts of different climate change hazards, to enable flexible dynamic adaptive resilience approaches and help them understand the financial resources that may be accessed.

Number	Recommendation
Sharing the costs of adaptation	
11	Ensure cross-party support for the National Adaptation Plan, its funding and wider Government climate-change work programme is gained.
12	Take an outcomes-focused, principled approach to establishing what funding and investment will be available when a particular time or threshold is reached.
13	Consider developing a funding approach similar to the Waka Kotahi funding investment approach, which prioritises council-approved adaptation/resilience plans/projects for implementation at a regional and national level.
14	Establish a contestable Climate Change Adaptation Community Engagement Fund, to support councils to undertake engagement on adapting to climate change
Encouraging investment in resilience	
15	The Government needs to rapidly increase investment in resilience. It should, for example, agree to co-invest in the upgrade and resilience of flood protection schemes as proposed by Te Uru Kahika.
16	Encourage local and central government and business to progress business resilience planning.
17	Develop information resources, messaging and engagement for businesses, families and whānau to support improving their climate resilience
18	Ensure that a share funding from the CERF is allocated to supporting initiatives that build community resilience and support adaptation.
Integration with wider reforms	
19	Demonstrate in the Plan how all the various reform programmes and policy initiatives underway will integrate to enable adaptation.
20	Provide nationally consistent direction by making clear decisions about how the trade-offs between different and competing outcomes (such as adaptation and enabling housing and infrastructure development) should be managed.

Number	Recommendation
21	Work with local authorities and land developers to prescribe a more holistic approach to land use and hazard management now, to ensure no time or opportunity are lost before the CAA is enacted.
22	As a matter of priority, develop a national spatial strategy to provide tools to restrict further development in areas of high or increasing risk, and facilitate the retreat of communities, homes and infrastructure in areas where risks are intolerable.
23	Allow fast-track revisions to Regional Policy Statements and District Plans to give effect to a high level national spatial strategy, ahead of the full reform of the resource management system being implemented.
24	Work with local government to include climate adaptation in relevant parts of the National Planning Framework.