

Redacted In Confidence

Office of the Minister for Climate Change

Chair, Cabinet Economic Development Committee

National Climate Change Risk Assessment – public release and initial government response

Proposal

1. This paper seeks Cabinet approval to table New Zealand's first National Climate Change Risk Assessment (the Risk Assessment) in Parliament and publicly release the Risk Assessment before the 2020 election and meet the statutory obligation set out under the Zero Carbon amendments to the Climate Change Response Act.
2. The paper also provides recommendations for how Government should respond to the first Risk Assessment including:
 - 2.1. Setting out the actions Government is already taking or planning (both underway or proposed) to respond to the risks of climate change identified in the Risk Assessment
 - 2.2. Establishing a policy framework which includes a stronger role for central government in supporting a proactive local government adaptation response, and a system of sub-national risk assessments and adaptation planning.
3. This is one of two papers responding to a report back invitation by Cabinet in November 2019. The other paper, *'Improving resilience to flood risk and supporting the COVID-19 recovery'*, is led by the Minister of Local Government. You are also considering this paper today.

Relation to government priorities

4. This proposal relates to the following of the Government's overall stated priorities:
 - 4.1. 1B – support thriving, sustainable regions
 - 4.2. 1D – transition to a clean, green carbon neutral NZ
 - 4.3. 2B – support healthier, safer and more connected communities

Executive summary

5. New Zealand's first National Climate Change Risk Assessment (the Risk Assessment) has been completed. The next steps are to table it in Parliament and make it available to the public.
6. The Risk Assessment highlights the ten most significant risks to New Zealand from climate change. The risks are high-level and cut across multiple sectors and portfolios. It also identifies gaps in our knowledge that need to be addressed.

7. The National Adaptation Plan (the Action Plan) is the Government's key vehicle to set out an all-of-Government response to the risks in the Risk Assessment. The Zero Carbon amendments to the Climate Change Response Act (CCRA) requires the Government to release the Action Plan within two years from the publication of the Risk Assessment.
8. To support the implementation of the Action Plan and adaptation work by local government and communities, I am also proposing a report back on how to establish a framework of sub-national risk assessments and adaptation planning, and a stronger role for central government in assisting local government and their communities to ensure climate change risks are proactively managed.
9. This could include criteria for central government financial or other assistance at the local level, and recommendations for any change to current institutional arrangements and legislation required to give effect to this.
10. Local government faces significant challenges with funding, capability and capacity which have been exacerbated by Covid-19. Working with local government to develop the specifics of this framework and determine what support is needed will be critical.
11. A list of initiatives already underway across government which will help respond to the risks in the Risk Assessment has been put together as a starting point for discussions to develop the National Adaptation Plan.

Background

Community Resilience Ministers have been progressing a work programme to increase the resilience of communities to natural hazards, including those exacerbated by climate change

12. In November 2019, Cabinet invited Community Resilience Ministers to report back on three matters [CAB-19-MIN-0588 refers]:
 - 12.1. review the actions the government is already taking or planning (both underway and proposed) to support New Zealand to adapt to the risks likely to be identified in the Risk Assessment
 - 12.2. report back to DEV on options for the government's initial response to the Risk Assessment to address any immediate gaps
 - 12.3. report back to DEV on the proposed framework to guide the role of central government in strengthening community resilience, and its implications for the different work streams in the Community Resilience Work Programme, with an initial focus on flood risk.
13. This paper fulfils the first two parts of this report back. It accompanies the paper *Improving resilience to flood risk and supporting the COVID-29 recovery* which responds to the third part of the report back.

Climate change poses significant threats to New Zealand's environment, society, and economy

14. Climate change is a significant and intergenerational issue. It presents a range of risks to our environment, society, and economy. We know that these impacts will

be unequally distributed and are likely to disproportionately impact vulnerable groups and communities.

15. Our climate will continue to change over time in response to both past and future global emissions. We have a critical window to make decisions now to support thriving and sustainable regions, and avoid placing the burden of responsibility for action on future generations.
16. Every sector of the economy faces a greater or lesser degree of change in the effort to decarbonise the economy and every sector faces a greater or lesser degree of disruption and cost if we do not.
17. This Government already has a comprehensive work programme on reducing emissions, including recently legislated changes to the Emissions Trading Scheme and work underway to develop and implement Emissions Budgets for New Zealand. This paper, in contrast, addresses the most significant risks we face in New Zealand from the physical impacts of climate change and how we build resilience to them.

The Zero Carbon amendments established a national system for adaptation action

18. The 2019, the Zero Carbon amendments to the CCRA set up a system to allow New Zealand to prepare for and adapt to the impacts of climate change at a national level, through National Climate Change Risk Assessments and National Adaptation Plans.
19. The system also requires the Climate Change Commission to regularly assess the effectiveness and implementation of National Adaptation Plans and hold the Government to account for adaptation action.
20. These amendments were based on best practice around the world, as well as responding to recommendations from a group of experts in New Zealand, the Climate Change Adaptation Technical Working Group (CCATWG).
21. The first Risk Assessment was undertaken by the Government to ensure it was completed as soon as possible. The Climate Change Commission will undertake future Risk Assessments.

The two papers you are considering today are closely inter-related

22. Flood risk is the country's most frequently occurring natural hazard, and illustrates the intersection of 'traditional' management of natural hazards, and how climate change impacts are changing the nature of these risks into the future.
23. The flood risk paper presents a set of principles that are applicable to all natural hazards, including those exacerbated by climate change. The paper has a strong focus on options to strengthen resilience significantly in the short term (through 'shovel-ready projects').
24. The Risk Assessment highlights the impacts of flooding on built and natural environments, which will have significant flow-on effects for people, the economy and governance.
25. Beyond flood risk, there is a wide range of risks identified in the Risk Assessment. Some of these may not yet be on local government's radar, or are not being planned for. This paper has a broad and long-term focus on supporting local communities to assess and respond to all climate-driven risks at the regional and local level.

26. Both papers make the case for a stronger central government role to support the operation of the system. This will involve a more active role in data provision, co-investment and improving the legislative framework through the RMA and other legislation. In addition, there may be situations where the risks are great enough that central government takes an active hand in particular situations, whether by providing funding, or by being involved in decision-making.

Completing New Zealand's first National Climate Change Risk Assessment is a significant milestone and will enable the Government to prioritise action

27. New Zealand's first Risk Assessment is now complete and is ready to be tabled in Parliament and publicly released.
28. The Risk Assessment identifies the 10 most significant risks New Zealand faces from climate change across the five domains that underpin wellbeing (human, natural environment, built environment, the economy and governance). It draws on the best available evidence, and assessment of risks.
29. The Risk Assessment must be submitted to Parliament and published within one year of the Zero Carbon amendments to the CCRA coming into force. This means that it must be tabled in Parliament and published by 14 November 2020.
30. The Risk Assessment will enable the Government to prioritise action, including through a National Adaptation Plan. The National Adaptation Plan must be completed two years after the Risk Assessment is published.
31. An executive summary of the Risk Assessment is attached in Appendix 1. Electronic copies of the three final reports that make up the full Risk Assessment can be accessed via CabNet (Appendices 4, 5 and 6). Hard copies will be available to Ministers through the Cabinet office. Before they are tabled in Parliament, these reports will be subject to minor wording changes due to final proofreading.

The national system we have established needs to be supported by robust information and planning at the sub-national level

32. The system put in place by the Zero Carbon amendments to the CCRA sets out a robust approach to national-level prioritisation of climate change risks and proactive action to address them. More work is needed to ensure that risks are consistently assessed and managed at the sub-national level as well.
33. Engagement with local government, including through partnership projects and through the Community Resilience work programme, has highlighted that councils around the country are at very different stages in terms of assessing and managing their climate change risks.
34. While flooding is an example of a known risk that has been historically managed by regional councils, climate change impacts may not be incorporated into the underlying data. The Risk Assessment also highlights that flooding has a wide range of impacts across multiple domains so co-ordinated action will be essential.
35. Other risks may not be being managed at all at present – it may be hard to find a council's policy response to sea level rise, increased drought, the decreasing (or increasing) viability of certain primary industries, or pest incursions due to a changing climate. Many councils have yet to engage with their constituents on the range of risks that climate change will pose to their regions in the future.

36. Local government have been vocal about the need for more support to carry out all the work that falls within their remit. Climate change adaptation is a novel and complex challenge which many councils feel ill-equipped to manage without further resources and guidance.
37. There is an opportunity for central government to establish a consistent framework and provide appropriate support to local communities to assess and respond to all climate-driven risks at the regional and local level. This will also support the effective implementation of the national system.

Analysis

The Risk Assessment identifies the 10 most significant risks New Zealand faces from climate change

38. The Risk Assessment highlights the risks New Zealand faces as a result of climate change. It does so using a rigorous methodology and assesses risk across three timeframes (now, 2050, 2100).
39. Based on NIWA's climate change projections, New Zealand can expect to see the following trends:
- In the last 100 years our climate has warmed by 1°C. If global emissions remain high, temperatures will increase by a further 1.0°C by 2040 and 3.0°C by 2090.
 - In the last 60 years, sea levels have risen by 2.44 mm per year. If global emissions remain high, sea levels will increase by a further 0.25 m by 2040 and 0.76 m by 2090.
 - Extreme weather events such as storms, heat waves and heavy rainfall are likely to be more frequent and intense. Large increases are expected in extreme rainfall everywhere in the country, particularly in Northland due to a projected increase in ex-tropical cyclones.
 - The number of frost and snow days are projected to decrease, whilst dry days are projected to increase for much of the North Island, and for some parts of the South Island.
 - Drought is predicted to increase in frequency and severity, particularly along the eastern side of the Southern Alps.
 - Increased north-easterly airflows are projected in summer and stronger westerlies in winter, the latter particularly in the south of the South Island.
 - Wildfire risk is predicted to increase in many areas towards the end of the century due to higher temperatures and wind speeds, and decreased rainfall and relative humidity.
40. The Risk Assessment identifies 43 priority risks across the five domains, including the 10 most significant risks New Zealand faces from climate change.
41. s9(2)(f)(iv)

42. The Risk Assessment has applied international best practice in national climate change risk assessment and followed the Framework (Arotakenga Huringa Āhuarangi: A Framework for the National Climate Change Risk Assessment for Aotearoa New Zealand), which was published by the Ministry for the Environment in 2019.
43. The risks identified are high level and draw on the considerable body of work available at a national and regional level
44. As well as iwi/hapū partners, over 400 people have provided input from a broad range of sectors and interest groups including: local government, central government, private sector, primary sector and universities/research institutes.
45. The Risk Assessment was undertaken over 9 months by a diverse, multi-disciplinary team including 13 leaders in climate risk assessment from across a suite of disciplines in New Zealand (Governance, Economy, Social Science, Natural Environment, Built Environment and Māori/Iwi engagement).
46. The 10 most significant risks comprise the top two risks from each domain that need to be addressed most urgently. They are:

Domain	Risk
Natural Environment	Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea level rise and extreme weather events.
	Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.
Human	Risks to social cohesion and community wellbeing from displacement of individuals, families and communities due to climate change impacts.
	Risks of exacerbating existing inequities and creating new and additional inequities due to differential distribution of climate change impacts.
Economy	Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes.
	Risks to the financial system from instability due to extreme weather events and ongoing, gradual changes.
Built Environment	Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea level rise.
	Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea level rise.
Governance	Risk of maladaptation across all domains due to the application of practices, processes and tools that do not account for uncertainty and change over long timeframes.
	Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for climate change adaptation. Institutional arrangements include legislative and decision-making frameworks, coordination within and across levels of government and funding mechanisms.

47. The Risk Assessment report notes specific risks that are highly relevant to Māori (section 3.1.1 of the main report). However, it also acknowledges that all risks affecting Aotearoa are relevant to Māori as kaitiaki of their ancestral and cultural landscapes. It also notes that recognising the interdependencies between domains and risks is fundamental to exploring climate risks from a Māori point of view.

48. The Risk Assessment identifies significant knowledge gaps that reduce New Zealand's ability to assess and manage climate change risks and opportunities. Work will need to begin now to address these gaps.

There are short, medium and long-term opportunities to respond to the Risk Assessment.

49. It is important that when the Risk Assessment is made public, the Government is able to clearly set out the work already underway to address the risks highlighted and signal the future steps to building resilience and adaptive capacity.

There is already work underway across government to increase our resilience to climate change risks

50. Climate change will impact all areas of the environment, society and economy. Responsibility for addressing these impacts will span a broad range of portfolios across Government, not just the climate change portfolio.

51. The National Adaptation Plan is the Government's formal response to the Risk Assessment and will respond to the most significant risks. It must be completed within two years of the Risk Assessment being published. The Ministry for the Environment will be coordinating the development of the Action Plan, but responsibility for delivering on the outcomes of the plan will be shared across a broad range of portfolios and actors. Local government, communities, and the private sector will also have a role to play in implementation.

52. In addition to the Action Plan, a number of work programmes are underway which will assist in responding to the risks posed by a changing climate. Appendix 2 includes a table summarising the relevant work underway in an all-of-government response.

The response to COVID-19 also presents opportunities to improve New Zealand's resilience

53. The Government's economic response to COVID-19 represents fiscal deployment on an unprecedented scale which will not be repeated in the near future. We must ensure these investments enhance New Zealand's resilience to climate change and avoid exacerbating the risks highlighted in the Risk Assessment.

54. More detail on immediate opportunities is included in the flood risk paper. It will be important that we continue to screen potential investment for climate resilience so we are not locking in further exposure or vulnerability to climate change impacts.

Engagement with local government has highlighted that there are systemic issues which are hindering proactive adaptation

55. The work that is underway and planned will get us some of the way to addressing the risks identified in the Risk Assessment. However, further work is required to ensure current statutes are fit for purpose for our adaptation response, that we have the right institutions, sufficient data and information to inform decision-making, and funding to support our response.

56. This work is critical to ensuring that, when we release the first National Adaptation Plan in 2022, we have the systems and processes in place to ensure it can be implemented effectively at the local government level.

57. Discussions with local government representatives and collaboration through the Community Resilience work programme have uncovered a range of issues that local government is facing in taking effective action to reduce risks. These include:

57.1. Risk management decisions are often delegated to individuals and councils. While this is consistent with New Zealand's devolved system, it can create issues if:

- Decision-makers do not have reliable access to up-to-date information
- Political economy considerations make certain adaptation decisions, particularly managed retreat, 'too hard' at the local level
- Council resources are not efficiently used if work is duplicated and/or inconsistent around the country

57.2. Legislative settings are not fit-for-purpose and there is a lack of tools to manage climate risks

57.3. There is a bias towards recovery and response action after an event, rather than proactive risk reduction and management. There is a growing body of evidence that early risk reduction and preparedness can minimise costs in the long term.

57.4. There is ambiguity regarding roles and responsibilities for climate change adaptation

58. Many of these challenges apply equally to flood risk, as examined in the flood risk paper, and climate change-driven risks more broadly.

There is a need to underpin the national level risk assessment with more fine-grained regional and local risk assessments and adaptation planning

59. The first Risk Assessment improves our understanding of national priority risks, but councils have repeatedly indicated that they also need more detailed information at the local level. At present, councils do not trust that they have a robust enough evidence base at the local level to be able to take proactive adaptation decisions that will stand up in court.

60. Engagement with local government through Chief Executives' Environment and Economy Forum, and the Ministry for the Environment's partnership projects has highlighted that many councils have already started or are planning to begin work on their own risk assessments, but it is costly and time-consuming, and many councils lack the required capability. Councils have expressed that they would value central government involvement or support to ensure that what they producing or procuring will be consistent around the country and align with the national system.

61. As many local authorities have not started adaptation planning, there is also little certainty at the local level as to what the policy response will be to those risks that are already known. This means that individuals cannot make informed decisions that can align with their own risk appetite.

62. It would be beneficial to the Government to do the work now to support the development of a more robust evidence base on climate change impacts at the local

level. This information will flow into future Risk Assessments and support council risk reduction activity and implementation of the Action Plan, which will reduce the need for central government expenditure on response and recovery.

63. As the Productivity Commission highlighted in 2019, local government faces significant challenges with funding, capability and capacity. Covid-19 has only exacerbated these issues. Any workable system needs to take these limitations into account and provide appropriate support to facilitate better outcomes for local government.

64. I propose that Cabinet direct officials to engage with local government and other relevant parties on how to establish a system of sub-national risk assessments and adaptation planning.

A clearer regulatory framework for adaptation action is needed

65. A common theme from local government in recent years has been the need for central government to show more leadership and set clearer expectations for how councils should plan for the impacts of climate change. This is driven by ambiguity on who is responsible for making and funding the implementation of adaptation responses at the local and regional level, and where there is a role for central government.

66. Clarity on roles and responsibilities, including funding, will be fundamental to an effective adaptation response in New Zealand. The Government has choices about what role it plays in local and regional adaptation responses. This could range from taking an active role in decision-making and funding of measures in some cases, to providing guidance to local authorities to manage their responses.

67. More work needs to be done to determine the most appropriate role for central government. Whatever decision is made, it will provide additional clarity to local authorities on where and how they can expect support from central government in their responses.

68. A range of issues with the existing regulatory framework for adaptation have also been highlighted through work undertaken in partnership with local government, and through the Resource Management Review Panel.

69. Examples include a lack of alignment between the Local Government Act and the Resource Management Act, leading to challenges for councils integrating funding and resource management decisions. The difficulties with altering existing use rights under the RMA are commonly highlighted as a barrier to any consideration of managed retreat in particularly high-risk areas.

70. More work needs to be done to determine whether existing legislation and institutions allow for improvements to the system, or whether more fundamental reform is required.

71. The Resource Management Review Panel has recently provided a series of recommendations to Government. The Government's consideration of and response to the Panel's recommendations in relation to climate change adaptation will be one vehicle for further developing the Government's position on its role.

72. I propose that Cabinet direct officials to investigate a stronger role for central government in assisting local government and their communities to ensure climate change risks are proactively managed. This could include criteria for central

government financial or other assistance at the local level, and recommendations for any change to current institutional arrangements and legislation required to give effect to this.

Strong governance and accountability will be crucial in developing New Zealand's adaptation response

73. Responsibility for the production of the National Adaptation Plan sits with the Climate Change Minister, supported by the Ministry for the Environment.
74. The Risk Assessment highlights that to be effective, actions in response to the 43 priority risks will need to be coordinated across risks and domains. In practice, this will require coordinated governance across departments, as well as regular interaction between Ministers.
75. Climate change is an amplifier of most national-level risks and has implications for how the Government considers 'whole of government-level' risks. Given these interactions, governance of the delivery and implementation of the Plan, including accountability for delivery of specific actions, needs broader consideration.
76. One option for coordinated governance across departments is the Climate Change Chief Executives Board that was established by Cabinet in 2017. This Board is chaired by the Secretary for the Environment and provides Cabinet with advice on the direction of climate change policy in New Zealand. The remit of the Board is focussed on emissions mitigation, and its membership reflects this focus. There is provision in the Board's Terms of Reference for the purpose, function, memberships and accountabilities to be reviewed, including, specifically, consideration of the Board's role in relation to adaptation.

Next steps

77. I am proposing a report back to Cabinet by March 2021 with a proposal for public consultation on central government's role in supporting local government on climate change adaptation, including
 - 77.1. how to establish a system of sub-national risk assessments and adaptation planning
 - 77.2. criteria for central government financial or other assistance to local government and local communities
 - 77.3. recommendations for any change to current institutional arrangements and legislation to give effect to the objectives
78. I am also proposing a report back to Cabinet in December 2020 on how management of climate change risks should be governed, including accountability for delivery of actions in the National Adaptation Plan.
79. Developing a system of sub-national risk assessments and planning will require close work to develop best practice in partnership with councils and their communities, many of whom have initiated work towards their own risk assessments. The system will need to build on and support the existing work already underway.

80. It will also need to take into account the varied capacity and resource of different regions to engage in adaptation planning and provide support, which may include providing funding for key datasets, guidance, and templates.
81. I propose that officials engage with the local government members of the Community Resilience Steering Group, existing climate change-focussed regional sectoral groups and Local Government New Zealand to determine how they would like to be involved in this work and tailor an engagement approach to fit their needs and constraints.

Financial implications

82. s9(2)(f)(iv)

Legislative implications

83. This paper proposes a report back to inform a future consultation. There are no direct legislative implications at this point, but legislative changes may be proposed at a future date.

Regulatory impact analysis

84. There are no direct legislative implications to this paper, but legislative changes may be proposed at a future date through the Cabinet report back.

Population implications

85. The Risk Assessment itself highlights that climate change is likely to exacerbate existing inequities and create new and additional inequities due to differential distribution of impacts. This is one of the 10 most significant risks in the Risk Assessment.
86. The Risk Assessment, main assessment report describes the following groups as having a particular sensitivity to the extreme events associated with climate change:

Population group	How this group may be affected
Māori	Socioeconomic disparities that exist between Māori and non-Māori communities produce conditions that increase sensitivity to climate change impacts and risks for Māori society. Māori communities are more sensitive to climate impacts on ecological systems due to dependence on primary industries for livelihoods, and the impacts of climate change on cultural and spiritual wellbeing, as well as on coastal mahinga kai and proximity of housing and infrastructure to processes such as erosion and inundation.

Ethnic communities and minorities	Ethnic communities are often geographically and economically isolated from jobs, services and institutions. Discrimination also plays a major role in increasing the sensitivity of ethnic minorities. Where minorities are immigrants from non-English-speaking countries, language barriers can greatly increase vulnerability to a disaster.
Women	Following disasters, women and children are often vulnerable. Evidence indicates that lower-income women experience and navigate ongoing job and house displacement, increased domestic violence and reduced access to education and childcare for children after extreme events. Unequal participation in labour markets and decision-making processes compound inequalities. Research also shows that incidences of domestic violence increase following extreme events, such as fires.
Children and the elderly	Disruptions created by a disaster can have significant psychological and physical impacts on children. The elderly are likely to suffer health problems and experience a slower recovery, and tend to be more reluctant to evacuate their homes in a disaster.
Disabled people	People living with mental or physical disabilities are less able to respond effectively to disasters and require additional assistance in preparing for and recovering from disasters.

87. Considerations of equity and distributional impact are a core consideration in the Government's climate transition policy.

Te Tiriti o Waitangi implications

88. As outlined above, climate change will have a range of impacts which will affect Māori both generally and specifically. Officials are working to design an approach to developing the National Adaptation Plan that will meet the good faith obligations of the Crown under Te Tiriti and build on the relationships established in the development of the Risk Assessment.

89. The proposals in this paper do not have any immediate Te Tiriti implications, but officials will design engagement with iwi/hapū/Māori in the development of the report back to ensure that Tiriti/Māori interests are understood and accounted for. A full assessment of Te Tiriti implications of any policy changes proposed will be undertaken to inform the report-back.

Human Rights

90. The proposals in this paper do not have any immediate human rights implications.

Consultation

91. The following agencies have been consulted in the development of this paper: the Department of Internal Affairs, the National Emergency Management Agency, the Treasury, Land Information New Zealand, the Earthquake Commission, the Ministry of Business, Innovation and Employment, the Ministry for Primary Industries, the Ministry of Transport, the New Zealand Transport Agency, the Department of Conservation, the Ministry of Health, the Ministry of Housing and Urban Development, Kāinga Ora, the Ministry for Culture and Heritage, Heritage New Zealand, the Reserve Bank of New Zealand, Fire and Emergency New Zealand, the Office of the Auditor-General, Te Puni Kōkiri, Te Arawhiti, the State Services Commission, the Ministry of Defence, the New Zealand Defence Force, Statistics New Zealand, the Ministry of Justice, the Ministry for Women, the Ministry of Education and the Ministry of Foreign Affairs and Trade. The Department of the Prime Minister and Cabinet has been informed.

Communications

92. A communications plan is being developed for the tabling and public release of the Risk Assessment. This paper attaches a Pathway to a climate-resilient New Zealand (Appendix 3) to be released alongside the Risk Assessment.

93. I will announce the publication of the Risk Assessment after it is tabled in Parliament.

Proactive Release

94. I propose to proactively release this paper, subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Climate Change recommends that the Committee:

1. **note** that New Zealand's first National Climate Change Risk Assessment has been completed and identifies the 10 most significant risks that New Zealand faces from climate change
2. **agree** to table in Parliament and make publicly available New Zealand's first Risk Assessment before the 2020 election
3. **note** that the risks will impact all sectors of the environment, economy and society and that all-of-government action is essential to respond to the risks set out in the Risk Assessment
4. **note** that all risks affecting New Zealand are relevant to Māori as kaitiaki of their ancestral and cultural landscapes, and that recognising the interdependencies between domains and risks is fundamental to exploring climate risks from a Māori point of view
5. **note** that this paper accompanies the flood risk Cabinet paper and should be read alongside it
6. **note** work is underway on the National Adaptation Plan, reforming the resource management system and other key work programmes – which will go some of the way to addressing the climate risks in the Risk Assessment

7. **agree** to release the attached “Pathway to a climate-resilient future” alongside the release of the Risk Assessment
8. **note** that further work is needed to adjust policy settings to support local government and local communities to take action on adaptation in readiness for the implementation of the National Adaptation Plan in 2022
9. **note** that the following principles for natural hazard and climate change risk reduction, set out in the flood risk paper, are also relevant to developing the proposals in this paper:
 - 9.1. invest in effective risk reduction;
 - 9.2. make risk management decisions at the level closest to the affected community;
 - 9.3. provide effective outcomes for Māori;
 - 9.4. intervene where there is national interest or benefit;
 - 9.5. require beneficiaries to pay; and
 - 9.6. ensure fairness and equity, including across generations.
10. **direct** officials to engage with local government and other relevant parties on how to establish a system of sub-national risk assessments and adaptation planning
11. **note** that local government faces significant challenges with funding, capability and capacity and COVID-19 has only exacerbated these issues. Work to inform the report back above needs to consider these limitations, build on and support existing work already underway at a council level, and determine the support needed to facilitate better outcomes for local government
12. **direct** officials to investigate how central government could take a stronger role in supporting local government and local communities to proactively address climate risks
13. **invite** the Climate Change Minister to report back to Cabinet by March 2021 with a proposal for public consultation on central government’s role in supporting local government on climate change adaptation, including
 - 13.1. how to establish a system of sub-national risk assessments and adaptation planning
 - 13.2. criteria for central government financial or other assistance to local government and local communities
 - 13.3. recommendations for any change to current institutional arrangements and legislation to give effect to the objectives
14. **invite** the Climate Change Minister to provide an interim progress update to Cabinet in December 2020 on the work outlined in recommendation 13 above, to align with the DIA report back on flood risk.
15. **note** that an effective response to the priority risks will require coordination actions across Ministerial portfolios and departments
16. **note** that the Risk Assessment identifies a risk that the current institutional arrangements are not fit for climate change adaptation, and could exacerbate climate change impacts across all domains

17. **note** that there are existing governance arrangements, including the Climate Change Chief Executives Board that may be relevant to the delivery of the National Adaptation Plan
18. **note** that climate change is an amplifier of most national-level risks and has implications for how the Government considers 'whole of government level' risks
19. **invite** the Climate Change Minister to report back to Cabinet in December 2020 on how management of climate change risks should be governed, including accountability for delivery of actions in the National Adaptation Plan. This will align with the proposed report back on the DIA flood work and the interim progress update on the matters above in recommendation 13.

Authorised for lodgement.

Hon James Shaw

Minister for Climate Change

Proactively Released under the provisions of the Official Information Act 1982

Appendix 1.

New Zealand's first National Climate Change Risk Assessment – executive summary

Appendix 2.

Table of government actions underway to respond to Risk Assessment risks

Appendix 3

Pathway to a climate-resilient New Zealand

Appendix 4

National Climate Change Risk Assessment for New Zealand – Main Report

Appendix 5

National Climate Change Risk Assessment for New Zealand – Technical Report

Appendix 6

National Climate Change Risk Assessment for New Zealand – Method Report