



26 August 2024

[Redacted]  
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Ref: OIA-2023/24-0985

Dear [Redacted]

### Official Information Act request relating to FOSAL information

Thank you for your Official Information Act 1982 (the Act) request received on 19 June 2024. You requested:

*Please supply the following information under the Official Information Act (OIA) / Local Government Official Information and Meetings Act (LGOIMA)*

*Requesting information regarding the - Cyclone Recovery Unit  
Land Risk Categorisation Framework*

*The 'Cyclone Recovery Unit' was established in March 2023 to lead, coordinate and monitor the severe weather recovery across government.*

*I am seeking documents, discussions, reports, and any other relevant materials that detail the creation, decision-making process, and advice received while creating the 'Future of Severely Affected Land Risk Categorisation Framework.' Following cyclone Gabrielle.*

*Specifically, I am requesting the following information:*

*1. Development and Design*

*• Which agencies, departments, or external entities were involved in the development and design of the Land Risk Categorisation Framework? Please provide documents identifying the individuals or teams responsible for its design, including their roles and affiliations.*

*2. Legal and Technical Advice*

*• 2.1 Reports, memos, or other documents that refer to the legal advice received during the development of the Land Risk Categorisation Framework.*  
*• 2.2, Reports, memos, or other documents that discuss the technical reports, methodologies, and risk assessments used in the Land Risk Categorisation Framework.*

*3. Recommendations to Cabinet and Concerns Raised*

*• 3.1 Reports, memos, or other documents detailing recommendations provided to the government cabinet regarding the Land Risk Categorisation Framework.*  
*• 3.2 Reports, memos, or other documents outlining any concerns raised during the development and implementation of the Land Risk Categorisation Framework.*

The time frame for responding to your request was extended under section 15A of the Act by 28 working days because it necessitated a search through a large quantity of information, and consultations were needed before a decision could be made on the request. Following this extension, I am now in a position to respond. Thank you for your patience while we processed your request.

For clarification, we have interpreted the “Future of Severely Affected Land Risk Categorisation Framework” as the centrally-developed land risk categorisation framework (initial risk categories and definitions) announced on 1 May 2023 and any refinements of the scope and definitions of these categories that was subsequently agreed to by Cabinet.

Furthermore, we have interpreted your request as seeking documents produced during the creation and development of this Land Risk Categorisation Framework, rather than the subsequent application and implementation of the Framework that was undertaken by local government authorities, and in the case of the parallel Whenua Māori and Marae pathway, Central Government.

On the 2 July 2024 you were advised that parts of your request were transferred to The Treasury (TSY) and the Ministry for the Environment (MfE). They will respond to you directly.

The Department of the Prime Minister and Cabinet (DPMC) is responding to parts 1, 2.2 and 3.2 of your requests.

*[1] Development and Design*

*• Which agencies, departments, or external entities were involved in the development and design of the Land Risk Categorisation Framework? Please provide documents identifying the individuals or teams responsible for its design, including their roles and affiliations.*

The following documentation relates to part [1] of your request:

- *Future of Severely Affected Locations: Risk Categorisation and Engagement*
- *Future of Severely Affected Locations: Process, roles, and issues*
- *Future of severely affected locations (FOSAL): Process Map*

Please note some information is withheld under section 9(2)(g)(i) of the Act, to maintain the effective conduct of public affairs through the free and frank expression of opinion.

The following information is also covered by part [1] your request and is publicly available on the DPMC website:

Item	Document description	Website address
1	Oral Item for EWR 14 Mar: Insurance and Risk. CAB-23-MIN-0086	<a href="https://www.dPMC.govt.nz/publications/proactive-release-ewr-23-sub-0017-oral-item-insurance-and-risk">https://www.dPMC.govt.nz/publications/proactive-release-ewr-23-sub-0017-oral-item-insurance-and-risk</a>
2	Oral Item for EWR 29 Mar: Update on Insurance Issues. CAB-23-MIN-0106	<a href="https://www.dPMC.govt.nz/publications/proactive-release-ewr-23-min-0024-oral-item-update-insurance-issues">https://www.dPMC.govt.nz/publications/proactive-release-ewr-23-min-0024-oral-item-update-insurance-issues</a>

One further paper is currently in line to be published on the DPMC website titled ‘Oral Item for EWR 5 Apr: Update on Insurance Issue from the Chair of the Cyclone Taskforce. CAB-23-MIN-0128.’

Accordingly, I have refused the documents listed in the above table under section 18(d) of the Act, as the information is or will soon be publicly available.

*[2.2] Reports, memos, or other documents that discuss the technical reports, methodologies, and risk assessments used in the Land Risk Categorisation Framework.*

On further inspection it was found that DPMC holds nothing relevant for part [2.2] of your request therefore this part of your request is refused under section 18(g) of the Act. This part of your request was also partially transferred to TSY and MfE and they will respond with any information they hold.

*3. Recommendations to Cabinet and Concerns Raised*

- 3.1 Reports, memos, or other documents detailing recommendations provided to the government cabinet regarding the Land Risk Categorisation Framework.*
- 3.2 Reports, memos, or other documents outlining any concerns raised during the development and implementation of the Land Risk Categorisation Framework.*

Please see the paper as mentioned above in part [1] of your request: *Future of Severely Affected Locations: Risk Categorisation and Engagement*. This is also relevant to part [3.1] of your request.

In relation to part [3.2] of your request and in the context of our interpretation of your request as seeking documents produced during the creation and development of the framework, it was found that DPMC holds nothing relevant therefore this part of your request is refused under section 18(g) of the Act. This part of your request was also partially transferred to TSY and MfE and they will respond with any information they hold.

In making my decision, I have considered the public interest considerations in section 9(1) of the Act. No public interest has been identified that would be sufficient to outweigh the reasons for withholding that information.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on the Department of the Prime Minister and Cabinet's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



**Katrina Casey**  
**Chief Executive**  
**Cyclone Recovery**

[IN-CONFIDENCE]

Office of the Minister for Cyclone Recovery

Office of the Associate Minister of Finance (Hon Wood)

Cabinet Extreme Weather Committee

## **Future of Severely Affected Locations: Risk Categorisation and Engagement**

### **Proposal**

1. The Cyclone Recovery Taskforce (the Taskforce) was asked by the Cabinet Extreme Weather Recovery Committee to build a combined view of insurance and council data as a foundation on which to base decisions that will inform community discussions around options to address risks. This paper provides an update on building confidence in available data, the categorisation of severely affected locations, and supporting local government engagement capability. Data is being gathered at geographic area levels for Te Tairāwhiti, Auckland and Hawke's Bay. Indicative numbers of properties in each category of severely affected locations is not yet available.
2. The paper also sets out the Taskforce's role in leading the engagement approach with affected communities once local government and Ministers are assured that the initial risk assessments are sound.

### **Relation to government priorities**

3. This paper is related to the Government's ongoing recovery from the January and February Flood events and Cyclone Gabrielle.

### **Executive Summary**

4. The Taskforce are continuing to work with local councils across Auckland, Te Tairāwhiti, the Hawke's Bay and Wairoa and insurers to build:
  - a. the combined view of insurance and council data; and
  - b. confidence in that data to use as a foundation for community discussions on options to address risks from future severe weather events.
5. Through a series of workshops, a decision tree was applied to work through the initial risk assessments to categorise severely affected locations. These categories correlate with those agreed by EWR from the framework developed by the Treasury and the Ministry for the Environment (MfE) [EWR X refers]. The categorisations applied during the initial assessments flow through from where risk can be readily mitigated through to a lack of a clear mitigation pathway or infeasible mitigation.
6. The Taskforce considers that there is general support of local government who have participated in the process for the overall categorisation approach and that the assessment and data collation process is continuing at pace. At this stage, however,

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further confidence and assurance is needed before the results of the initial assessment work can be confirmed.

7. Initial findings indicate that councils are at different stages of readiness in terms of needing more detailed information or internal assurance and assurance of a common understanding between central and local government on risk thresholds. All are clear that this is an initial assessment, more detailed information will be needed through this process and that supported locally led engagement will be critical.
8. The Taskforce's engagement with the insurance and financing sector is ongoing as councils continue to complete and share their data. As assessments progress, there may be areas identified within a reasonably short timeframe that will allow councils to progress rebuild through regular processes.
9. While the Taskforce will lead the engagement approach with local councils, insurance and the finance sector, face to face engagement will be iterative and locally led in accordance with the overall recovery approach. Once local government and Ministers are assured that the initial risk assessments are sound, early engagement needs to commence once appropriate engagement plans are in place.
10. Key engagement milestones include:
  - a. Announcements where there is confidence that areas where repair or rebuild can be delivered through existing support mechanisms to manage future flood and landslide risk (category 1).
  - b. Engagement with affected communities and individuals on the initial risk assessment where mitigation is complex (category 2) or a changed land use needs to be considered (category 3).
  - c. Work with impacted communities on options for the future based on the risk assessment.
  - d. Formal consultation with affected communities and individuals on the outcome of the risk assessment and local plans.
  - e. Related engagement on policy development and options.
11. To support these milestones, the approach to engagement will be: locally led, regionally delivered and centrally enabled; people centred; transparent and visible; in partnership and connected; and responsive and evolving.
12. Given the extent of impact to certain whenua Māori, the Māori Crown relationship under the Treaty of Waitangi is brought sharply into focus in the government's approach to its response, including in the work to categorise severely affected locations and mitigate risks to those areas from future events. Risks of failure to get the right solution in the right place and confidence that the framework will meet its goals of giving people the desired level of certainty will arise without a proper understanding of the issues and implications both for Māori and from a Māori perspective. An urgent focus is required to build the information component necessary for successful and timely engagement.

## Background

13. On 5 April 2023, the Extreme Weather Recovery Committee (EWR) agreed in principle to a framework that sets out the anticipated role of central government in responding to different categorisations of risk that are likely to arise at community or property level in severely affected locations [EWR-23-MIN-0030 refers].
14. EWR also agreed that, in the interests of providing a degree of certainty to affected communities, it would be desirable to take early decisions if there are severely affected locations where consideration of additional property level support can confidently be ruled out or ruled in.
15. On 19 April 2023, the Associate Minister of Finance reported back to EWR noting the conclusion that it was not possible at that time to make early decisions ruling in or ruling out property level support due to the limited information available. Additionally, the Minister outlined the next steps needed to support councils to complete a locally led and assured allocation of locations to categories based on risk [EWR-23-MIN-0035 refers].
16. EWR agreed that staged engagement (to be led by the Taskforce, working with relevant agencies) be undertaken to support councils in this process as follows
  - a. Building confidence in data and supporting local government engagement capability (to late April).
  - b. Developing consistency of thresholds and criteria and finalising the categorisation framework (to late May).
  - c. Finalising categorisation of severely affected locations (from May according to preferred local pace)
  - d. Developing options for locations within each category (from June, according to local pace).
17. Through a series of workshops, the Cyclone Recovery Taskforce has facilitated the overlay of insurance data and local councils' risk assessments to present a combined view of risk assessment across geographic areas to support decision making. Workshops have covered Auckland, Gisborne, Hastings and Wairoa. These districts have been prioritised for this work because they have had the most heavily impacted locations. There have been no indications that this process for severely affected locations is required in other regions or areas.
18. As agreed at the EWR meeting of 5 April 2023, the scope of this project was limited to residential properties in the first instance. This was agreed in order to move quickly to give impacted people certainty about their homes. Whilst this focus remains as the priority, it is noted that zones<sup>1</sup> identified by councils include residential, non-residential and mixed-use occupation.
19. This work does not seek to address risks in other locations that may arise from future events, nor other natural hazards which sit outside of the January and February flood

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<sup>1</sup> It is noted that there is not a consistent definition of a 'zone'. Councils have demarcated zones according to characteristics of an area to have best practical application.

events and Cyclone Gabrielle impacts. That is a much larger and longer-term task including actions listed in the National Adaptation Plan. However, choices the Government makes now to address these communities will affect the public's longer-term expectations about how the Government will respond to future events.

## **Approach for initial risk assessment and building confidence in data**

20. Further to the workshops, the Taskforce has now had discussions with local government regarding high-risk areas ('hotspots') and the initial categorisation of severely affected locations. Whilst the Taskforce is unable to share specific areas in this paper (as councils have provided work to date only as early indications), this paper provides:
  - a. the extent of indicative categorisation, including those potentially affected by relocation subject to community engagement and local planning by region
  - b. next steps in insurance engagement, council engagement and in engagement with affected communities
  - c. information regarding the assurance process to finalise the categorisation framework
  - d. proposal to seek a more streamlined process to finalise the categorisation of severely affected locations to enable consultation to proceed in a timely way.
21. As the initial risk assessment was worked through together with insurance sector and councils, a decision-tree was applied to help categorise the likely interventions resulting from the risk assessment. Categorisation followed a logic path of (1) can flood and landslide risks be readily mitigated? (2) are there potential but complex mitigations? (3) is there a lack of a clear mitigation pathway to alleviate risk; does mitigation look infeasible?
22. These decision-trees logically translated to the classification of properties into three categories agreed by EWR from the framework developed by the Treasury and the Ministry for the Environment (MfE). These are described in Table 1, noting an expansion of the second category was developed through discussion with councils to better reflect the reality of what is happening on the ground.
23. The Taskforce used information gathered from the workshops to establish a workbook (the Overview Workbook) combining data sourced from associated councils, insurance sector and census information to facilitate councils to complete initial risk assessment and categorisation. The purpose of the Overview Workbook is to establish consistency and a common approach so far as possible. Councils are currently working through completing the Overview Workbook.
24. The Overview Workbook comprises the following key information to provide a consistent understanding of assessment status and support assurance, decision making and engagement planning processes:
  - a. Identification of hotspots by councils
  - b. Insurance, census and Māori land data

- c. Initial categorisation by councils of each zone identified within their region
- d. Next steps where they are clear (e.g., further technical assessment, consultation)

Table 1: Categorisation definitions

Category	Definitions	Examples
1	Repair to previous state is all that is required to manage future severe weather event risk.	<i>Minor flood damage to repair but no need for significant redesign/retrofitting. Private insurance is sufficient but uninsured may face hardship.</i>
2C*	Community level interventions are effective in managing future severe weather event risk.	<i>Local government repairs and enhances flood protection schemes to adequately manage the risk of future flooding events in the face of climate change effects.</i>
2P	Property level interventions are needed to manage future severe weather event risk, including in tandem with community level interventions.	<i>Property specific measures are necessary e.g., improved drainage, raising houses is necessary. Benefits accrue to property owners but some may face affordability issues.</i>
2A	Potential to fall within 2C/2P but significant further assessment required.	<i>Interventions may be required / possible but insufficient information to provide initial categorisation (these may subsequently move between "2" categories or to categories 1 / 3).</i>
3	Future severe weather event risk cannot be sufficiently mitigated. In some cases, current land uses may remain acceptable, while for many others there is an intolerable risk of injury or death	<i>In the face of enhanced climate risks the property may face unacceptable risk of future flooding, this could be an intolerable risk of injury or death, or very significant and regular damage to the property. Other property could be subject to unstable land that poses an ongoing risk.</i>

\*Note Category 2 has been expanded from the MfE / TSY proposal following engagement with local government to better reflect the complexity of category 2 and reality on the ground

- 25. The Taskforce considers that there is general support of local government who have participated in the process for the overall categorisation approach and that the assessment and data collation process is continuing at pace. At this stage, however, further confidence and assurance is needed before the results of this initial assessment work can be confirmed.



## Findings

26. An initial summary of the data coordinated by the Taskforce is set out below. As council assessments are ongoing, the commentary and figures below:
  - a. are indicative only,
  - b. are based on work to date, and
  - c. seek to provide a sense of scale of the affected locations and the progress being made in respect of assessment and categorisation processes.
27. Some councils need more detailed information, some are nearly ready but want to be internally assured that their assumptions can be well described and defended, and that there is a common understanding between central and local government on risk thresholds. All are clear that this is an initial assessment, more detailed information will be needed through this process, and locally led engagement supported by the Taskforce will be critical. For locations with complex mitigations to consider it was also noted by councils that resolution could take a long time, perhaps up to 18 months. Given locations include in some instances, lifestyle, rural and commercial areas, this timeframe could have significant implications for ongoing viability of commercial use.
28. We note that careful consideration is required for residential sub-categories including holiday homes, rental properties, dual residential-commercial buildings, and body corporates. The focus of this initial risk assessment and categorisation work was on geographic areas. Accordingly, we do not yet have a clear understanding of the number of individual properties where risk can be cost-effectively mitigated with property-level and/or community level actions, or how many individual properties where retreat may need to be considered. Where indicative information has been provided by councils in this regard it is included in the summaries for the associated region set out below for the purposes of informing early policy consideration and providing a sense of scale of severely affected locations.
29. The underlying data remains subject to council confirmation (including at governance level) and assurance processes.

Region	Areas	Zones	Placards		
			Individual properties assessed	Red	Yellow
Hastings	8	38	1,269	68	373
Wairoa	5**	19	431	2	176
Te Tairāwhiti	8	25	339	20	200
Auckland*	14	32	3,481	413	1,137

\* Auckland information is in respect of both the Anniversary weekend floods and Cyclone Gabrielle

\*\* 4 zones in Wairoa fall outside broader “areas” and have been classified into a single “other” area

*Hawkes Bay – Hastings*

30. s9(2)(g)(i)
31. Both Hastings District Council and Hawke’s Bay Regional Council were briefed on the Overview Workbook on 18 and 19 April and have completed preliminary categorisation. As this is subject to ongoing assessment and review, the details of the preliminary categorisations are not sufficiently complete to provide additional information. s9(2)(g)(i)

s9(2)(g)(i)

33. Further population of the workbook for Hastings is pending, to be followed by Napier and Central Hawkes Bay. While reliant on councils and decision-making processes, the Taskforce is striving to have this information ready for community engagement by mid-May.

*Hawkes Bay – Wairoa*

34. s9(2)(g)(i)
35. Wairoa District Council was briefed on the Overview Workbook on 20 April and population of categorisation and future pathways is pending. s9(2)(g)(i)

*Te Tairāwhiti (Gisborne)*

36. s9(2)(g)(i)
37. Gisborne District Council’s initial assessment process sought to identify areas of high risk and vulnerability in the face of future climate change events such as Cyclone Gabrielle. s9(2)(g)(i)
38. Gisborne District Council was briefed on the Overview Workbook on 20 April and input from the Council regarding categorisation and future pathways is pending. The Taskforce will continue to engage with the council and agencies on how best to provide the council with the support needed to progress this work.

*Auckland*

39. s9(2)(g)(i) [REDACTED]. Given the scale of the areas involved, and the potential inclusion of a number of smaller clusters of properties across the region this remains subject to ongoing assessment processes. Auckland assessments of future risk have been driven by weather patterns in addition to areas which sustained damage as a result of the Anniversary Weekend floods (for example the rainfall was not as extensive in the Southeast of the region in that specific event).

s9(2)(g)(i)

42. Given the initial impact from the Auckland Anniversary weather and the nature of that event correlation between initial insurance data and council risk assessments was significantly lower than in other regions. Discussions are underway between council and insurance representatives to refine the data basis.
43. Auckland Council has progressed its work in the area of potential initiatives for future mitigation in respect of flood risk in reference to its "Making Space for Water" toolkit. Two key initiatives in this area are the creation of new "blue-green" networks in areas that are identified as having critical flood risk and working with property owners to develop solutions for properties with significant health and safety risk. Both of these initiatives are likely to include the requirement for acquisition and removal of properties. s9(2)(g)(i) [REDACTED]
44. Council advises that identification of more specific options and potential outcomes in respect of landslide risk areas is also progressing and that an internal workshop with the Mayor and councillors on all matters was held on Monday 1 May.

## Next steps for risk categorisation

### Ongoing engagement with the insurance and financing sector

45. Once councils have completed the Overview Workbook, data will be shared back with the insurance sector as part of assurance processes. The Taskforce will continue engagement with the insurance and financial sectors to seek consistency in responses where possible, and endeavour to ensure a sustainable insurance and financing environment.
46. As assessments progress, some zones within each region may be able to be assured within a reasonably short time frame allowing them to move on with rebuilding through regular processes.

### Assurance process

47. To provide assurance on the existing technical assessments, further detailed risk assessment, using the RiskScape modelling software, is being explored in collaboration with the Institute of Geological and Nuclear Sciences and National Institute of Water and Atmospheric Research. The results of this modelling will complement existing assessments conducted by Councils and provide further risk-based evidence for the classification of properties. This work will provide a consistent method of assessing risk across all territorial authorities for communities and Councils to make robust and equitable decisions and indications are that this can be done expediently.

## Engagement Approach

48. While the Taskforce will lead the engagement approach with local councils, insurance and the finance sector, it is important that face to face engagement is locally led in accordance with the overall recovery approach.
49. The combined view of insurance and council data and categorisation is a foundation for ongoing work and building confidence and assurance around this continues to be the current focus of the Taskforce. Once local government and Ministers are assured that the initial risk assessments are sound, early engagement needs to commence. To reflect the iterative nature of this risk assessment and categorisation and enable an agile approach for timely community engagement, we propose that a smaller subset of Ministers have visibility of the initial categorisation of severely affected locations, and work with local governing bodies to jointly finalise the categorisation of severely affected locations. Community engagement could commence once the appropriate engagement plans are in place.
50. To this end we propose that Minister for Cyclone Recovery, the relevant Lead Regional Minister, the Associate Minister of Cyclone Recovery, and Associate Minister of Finance agree to be satisfied with the initial risk assessment and categorisation, and these Ministers will notify Extreme Weather Recovery colleagues prior to community consultation and any public announcement, noting that decisions on the framework, other policy and funding will be taken separately by EWR.
51. Engagement with affected communities of the initial risk assessment and categorisation is an important part of this process and will be at the geographic area / community level in the first instance. It will be important for the community to understand how risks have been evaluated, to explore the risk tolerance assumptions made as part of the assessment, and where relevant, to engage the community in balancing the risks of staying against the risks of relocation. It is emphasised that the initial assessment presents a view of the hazard risk from weather-related events. It does not incorporate other risks or factors such as cultural risks and connections to whenua which are important to form a full picture to inform decision making. Councils are planning on leading on work with each impacted community.
52. Matters including options to cost-effectively mitigate risk at either the property-level and/or community level, and/or support retreat need to be explored by those who are affected, and implications for productive and other commercial uses of land also need to be considered.

53. While the community wish for certainty, the engagement approach must be inclusive, and well considered. Previous experience has shown that it is more important to get the right information and discussions in place, than to proceed in haste – even if this means that supports such as temporary accommodation need to be extended.
54. The questions and scenarios which will arise from this engagement will be an important input to the policy process also underway, including the work being led by The Treasury and the Ministry for the Environment for the report back EWR on 30 May which will include more detailed policy design to support the proposed approach [EWR-23-MIN-0030 refers], and the proceeding frameworks and potential support packages that may be developed.
55. Engagement will be iterative, and timing will vary depending on the readiness of local government.
56. Key milestones which are consistent with the end-to-end process map provided in the EWR paper also being considered on process roles and issues include:
  - a. Announcements where there is confidence that areas where repair or rebuild can be delivered through existing support mechanisms to manage future flood and landslide risk (category 1). This would be led by local authorities and supported by the Taskforce.
  - b. Engagement with affected communities and individuals on the initial risk assessment where mitigation is complex (category 2) or a changed land use needs to be considered (category 3). This would be focussed on involving these communities in the initial risk assessment work by sharing information and seeking feedback, insights and further data to help inform options for the future. This would be led by local authorities and supported by the Taskforce and the Cyclone Recovery Unit (CRU).
  - c. Work with impacted communities on options for the future based on the risk assessment. This would be led by local authorities, with support from the CRU.
  - d. Formal consultation with affected communities and individuals on the outcome of the risk assessment and local plans. This would be led by local authorities and CRU.
  - e. Related engagement on policy development and options to be led by The Treasury, Ministry for the Environment and supported by CRU, DIA, MPI, HUD, and TPK.
57. To support the above milestones the centrally supported approach to engagement will be based on the following:
  - a. Locally led, regionally delivered and centrally enabled: This will involve streamlining and coordinating engagement and communications across government agencies and departments and supporting local engagement plans
  - b. People centred: recognising and reflecting what is happening for those audiences, their sensitivities, and what they care about. Decisions will be made with impacted community involvement and input

- c. Transparent and visible: Impacted people will be directly notified. Central government and councils will be upfront about what is known, what is not known and what to expect next.
- d. In partnership, connected: Agencies will work collaboratively and in good faith across with local authorities, communities and iwi, hapū and Māori. They will support a consistent and equitable approach across regions.
- e. Responsive and evolving: The recovery effort and decisions will evolve over time. Engagement will be responsive to this and evolve to ensure we are doing the right things to meet engagement objectives and the objectives of local government, iwi, hapū and Māori.

### **Māori/iwi land and engagement approach**

- 58. For the initial risk assessment process, the Taskforce used area data provided by councils to identify where marae and Māori landholdings may be included in the affected locations. This localised information can be corroborated with the information and data held by Te Arawhiti and Te Puni Kōkiri. Officials will be meeting to work through the data captured to identify whenua Māori that may have been included. The aim is to develop a corresponding credible engagement programme, including Crown roles and responsibilities so that decision makers can take matters relating to whenua Māori (including but not limited to Te Ture Whenua Māori land) and land relating to Treaty Settlements (also including but not limited to Right of First Refusal land and land in the Treaty Settlement Landbank) into full account in this process [EWR-23-MIN-0035 refers].
- 59. The Councils have told the Taskforce that they are best placed to lead iwi and Māori engagement across these matters. In addition to the above work the Taskforce and Cyclone Recovery Unit will continue to work with councils to understand how best to support that engagement, and on how to enable connectivity with any policy matters arising, including any Treaty Landbank aspects. The Cyclone Recovery Unit Deputy Chief Executive – Engagement and Liaison, Herewini Te Koha joins the Unit in mid-May and a priority will be developing an overarching iwi and Māori engagement plan for the recovery as a whole.

### **Treaty of Waitangi and implications for Māori**

- 60. The Māori Crown relationship under the Treaty of Waitangi is brought sharply into focus in the government's approach to its response to the severe weather events, including in the work to categorise severely affected locations and mitigate risks to those areas from future events.
- 61. Without a proper understanding of the issues and implications both for Māori and from a Māori perspective in these regions where there are significant Māori interests when undertaking the risk assessment and categorisation work:
  - a. there is a significant risk of failure to get the right solutions in the right places; and
  - b. there cannot be sufficient confidence the framework will meet its goals of giving people the level of certainty that will enable them to move on with their lives, individually and as a community.

62. The window of opportunity to get this right is small, requiring urgent focus on building an information component to inform central and local government about:
- the impacts and risks on severely affected Māori communities from their own perspective, including impacts on whenua Māori, Treaty settlement assets, taonga and cultural values reflected through relationships with affected places;
  - the physical and cultural impacts for Māori, including the distinct nature of Māori land tenure and ownership, the interconnections between residential, marae and other land uses, and the need to tailor those processes to the unique needs of Māori land owners where the affected land is Māori land;
  - the impacts on Treaty settlement redress and other settlement assets including cultural redress properties, commercial redress properties, and properties subject to rights of first refusal; and
  - the Crown's Treaty obligations, including settlement obligations, and the need for central government to stay closely involved to ensure those obligations are met.

### **Financial Implications**

63. This paper does not have direct financial implications as it outlines a programme of policy development to be undertaken. Any options developed and adopted in the next stage of this work programme would have financial implications. The level of fiscal costs of those policies will depend on detailed design decisions and additional information on the number of affected properties eligible for support but could be significant. Any decisions with financial implications will have to take place outside of Budget Moratorium, which runs from 11 April to 18 May.

### **Legislative Implications**

64. There are no legislative implications from this paper.

### **Impact Analysis**

#### **Regulatory Impact Statement**

65. A Regulatory Impact Statement is not required for this paper.

#### **Consultation**

66. This paper has been prepared by the Taskforce.
67. Consultation has been undertaken with the Ministry for the Environment, Department of Internal Affairs, Ministry of Business Innovation and Employment, Department of Prime Minister and Cabinet, Cyclone Recovery Unit, Ministry of Housing and Urban Development, Toka Tū Ake EQC, Te Puni Kōkiri, Te Arawhiti, Toitū Te Whenua – Land Information New Zealand, and Ministry for Primary Industries.

#### **Proactive Release**

68. I do not intend to proactively release this Cabinet paper at this time. The proposals in this paper are at an early stage of development and release would be premature and could be misleading for affected property owners if options in this paper are not subsequently adopted. As noted above, communications will be undertaken to

provide affected property owners and other stakeholders certainty over the process the Government is following to determine its response to the flooding events.

## Recommendations

69. The Associate Minister of Finance recommends that the Committee:
1. **note** the indicative scale of properties likely to fall within the agreed category definitions for severely affected locations in the Hawke's Bay, Te Tairāwhiti, and Auckland regions;
  2. **agree** that the Cyclone Recovery Taskforce, supported by officials, continue to work with regional recovery groups and council senior officers to finalise the initial risk assessment and categorisation of severely affected locations;
  3. **note** that the Cyclone Recovery Taskforce will seek to validate the initial risk assessment and categorisations reached by councils with the insurance sector;
  4. **note** the categorisations will need to be informed and further validated by gaining a greater understanding of the impacts and risks for severely affected Māori communities, including implications of the significant amount of whenua Māori, Treaty settlement assets, and taonga and the associated cultural values;
  5. **note** that further detailed risk assessment, using the RiskScape modelling software, is being explored in collaboration with the Institute of Geological and Nuclear Sciences and National Institute of Water and Atmospheric Research.
  6. **agree** that once initial risk assessment and categorisation of severely affected locations has been completed by council officers and the necessary assurances completed:
    - a. the proposed categorisation will be shared with the Minister for Cyclone Recovery, the relevant Lead Regional Minister, the Associate Minister of Cyclone Recovery, and Associate Minister of Finance and these Ministers will notify Extreme Weather Recovery colleagues.
    - b. the Lead Regional Minister and Minister for Cyclone Recovery will work with local government governing bodies to jointly finalise the initial risk assessment categorisation of severely affected locations in consultation with representatives of iwi, Māori communities and Māori land owners;
    - c. the Taskforce will share information and associated messaging with insurance and finance sectors for input;
    - d. community engagement, consultation and public announcements will then be delivered after this point led by local government and supported by the Cyclone Recovery Unit and Taskforce.
  7. **note** that community engagement will be iterative and locally-led, focussed around the following milestones:



- a. Announcements where there is confidence that areas where repair or rebuild can be delivered through existing support mechanisms to manage future flood and landslide risk;
- b. Specific engagement approach for whenua Māori, Treaty Settlement assets, and taonga and associated cultural values;
- c. Engagement with affected communities and individuals on the initial risk assessment and categorisation where mitigation is complex or a changed land use needs to be considered, to inform communities of the outcome of the initial risk assessment work, and begin to engage on options for the future of impacted areas;
- d. Formal consultation with affected communities and individuals on the outcome of the risk assessment and options for the future of impacted areas;
- e. Related engagement on policy development and options to be led by The Treasury, Ministry for the Environment and supported by CRU, DIA, MPI, HUD, and TPK.

Authorised for lodgement

Hon Grant Robertson

**Minister for Cyclone Recovery**

Hon Michael Wood

**Associate Minister of Finance**



# Cabinet Extreme Weather Recovery Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Future of Severely Affected Locations: Risk Categorisation and Engagement

**Portfolios** Cyclone Recovery / Associate Finance (Hon Michael Wood)

On 3 May 2023, the Cabinet Extreme Weather Recovery Committee (EWR), exercising its Power to Act in accordance with its terms of reference:

- 1 **noted** the indicative scale of properties likely to fall within the agreed category definitions for severely affected locations in the Hawke's Bay, Te Tairāwhiti, and Auckland regions, as outlined in the paper under EWR-23-SUB-0038;
- 2 **agreed** that the Cyclone Recovery Taskforce, supported by officials, continue to work with regional recovery groups and council senior officers to finalise the initial risk assessment and categorisation of severely affected locations;
- 3 **noted** that the Cyclone Recovery Taskforce will seek to validate the initial risk assessment and categorisations reached by councils with the insurance sector;
- 4 **noted** that the categorisations will need to be informed and further validated by gaining a greater understanding of the impacts and risks for severely affected Māori communities, including implications of the significant amount of whenua Māori, Treaty settlement assets, and taonga and the associated cultural values;
- 5 **noted** the urgent need to undertake proactive and direct engagement with Māori in severely affected locations on these matters, in parallel with the policy development work and other engagement with affected individuals and communities;
- 6 **directed** the Cyclone Recovery Unit, in consultation with Treasury, Te Arawhiti, Te Puni Kokiri, Ministry for the Environment and members of the Cyclone Recovery Taskforce, to develop more detailed and specific plans for the Māori engagement processes;
- 7 **authorised** the Minister for Cyclone Recovery, in consultation with the Associate Minister of Finance (Hon Michael Wood) and the relevant lead regional Ministers, to approve the timelines for the communication of the outcomes of the risk assessments provided by the Cyclone Recovery Taskforce;
- 8 **noted** that further detailed risk assessment, using the RiskScape modelling software, is being explored in collaboration with the Institute of Geological and Nuclear Sciences and the National Institute of Water and Atmospheric Research;

- 9 **agreed** that once initial risk assessment and categorisation of severely affected locations has been completed by council officers and the necessary assurances completed:
- 9.1 the proposed categorisation will be shared with the Minister for Cyclone Recovery, the relevant Lead Regional Minister, the Associate Minister of Cyclone Recovery, and Associate Minister of Finance (Hon Michael Wood), and that these Ministers will notify Extreme Weather Recovery colleagues;
  - 9.2 the Lead Regional Minister, the Minister for Cyclone Recovery and the Associate Minister of Finance (Hon Michael Wood) will work with local government governing bodies to jointly finalise the initial risk assessment categorisation of severely affected locations, in consultation with representatives of iwi, Māori communities and Māori land owners;
  - 9.3 the Cyclone Recovery Taskforce will share information and associated messaging with insurance and finance sectors for input;
  - 9.4 community engagement, consultation and public announcements will then be delivered after this point, led by local government and supported by the Cyclone Recovery Unit and Cyclone Recovery Taskforce;
- 10 **noted** that community engagement will be iterative and locally-led, focussed around the following milestones:
- 10.1 announcements where there is confidence that areas where repair or rebuild can be delivered through existing support mechanisms to manage future flood and landslide risk;
  - 10.2 specific engagement approach for whenua Māori, Treaty Settlement assets, and taonga and associated cultural values;
  - 10.3 engagement with affected communities and individuals on the initial risk assessment and categorisation where mitigation is complex or a changed land use needs to be considered, to inform communities of the outcome of the initial risk assessment work, and begin to engage on options for the future of impacted areas;
  - 10.4 formal consultation with affected communities and individuals on the outcome of the risk assessment and options for the future of impacted areas;
  - 10.5 related engagement on policy development and options, to be led by The Treasury and the Ministry for the Environment and supported by the Cyclone Recovery Unit, the Department of Internal Affairs, the Ministry for Primary Industries, the Ministry of Housing and Urban Development, and Te Puni Kokiri (with advice on these matters expected to be submitted to EWR on 31 May 2023).

Janine Harvey  
Committee Secretary

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**Present: (see over)**

**Present:**

Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Michael Wood  
Hon Willie Jackson  
Hon Damien O'Connor  
Hon David Parker  
Hon Barbara Edmonds

**Officials present from:**

Office of the Prime Minister  
Officials Committee for EWR  
Cyclone Recovery Unit, DPMC  
Chair, Cyclone Recovery Taskforce

Released under the Official Information Act 1982

~~IN CONFIDENCE~~

Office of the Minister for Cyclone Recovery  
Cabinet Extreme Weather Recovery Committee

## **Future of Severely Affected Locations: Process, roles, and issues**

### **Proposal**

- 1 This paper sets out the proposed process for identifying the future of locations severely affected by this year's North Island Weather Events. In addition, this paper also identifies key roles within the process, issues arising or likely to arise, and next steps.

### **Relation to government priorities**

- 2 This paper concerns the Government's ongoing recovery to this year's North Island Weather Events.

### **Executive Summary**

- 3 The primary purpose of this paper is to present the attached process map for how to address the future of severely affected locations.
- 4 In addition, this paper briefly recaps previous consideration of the future of severely affected locations by the Extreme Weather Recovery (EWR) Committee and Cabinet. It also outlines the tensions inherent in decision-making, including between making timely and good decisions, local and central decision-making, and the scale and nature of community and household engagement.
- 5 The roles and responsibilities of the Cyclone Recovery Unit, the Cyclone Gabrielle Recovery Taskforce (the Taskforce), and other core central government policy agencies are noted. In brief, the Taskforce has an important advisory role, but cannot direct or task government agencies, and cannot make decisions. The Cyclone Recovery Unit is primarily responsible for coordination and monitoring, while central government policy agencies remain responsible for policy development within their existing policy mandates.
- 6 The future of severely affected locations will require policy decisions in areas such as: cost sharing and the level of any Crown support, achieving comfort with the level and consistency of the risk thresholds used by local government, and determining the legal framework within which decisions are made.
- 7 Local government activity is ongoing and includes developing regional recovery plans and updating legally required flood mitigation plans. Local government will also continue to work, with the aid of the Taskforce, on categorising locations and properties.

~~IN CONFIDENCE~~

- 8 Policy work affecting iwi Māori will be addressed in the overall policy development and will include specific land and non-land issues arising. Land-related issues may arise from:
- 8.1 Te Ture Whenua Māori Land.
  - 8.2 Land within the Treaty Settlement landbank.
  - 8.3 Land specifically outlined in Treaty Settlement legislation.
  - 8.4 Land that is subject to a right of first refusal.

### Background

- 9 Cyclone Gabrielle caused severe flooding in the northern and eastern parts of the North Island from 12-16 February 2023, compounding damage from the Auckland Anniversary floods on 27 January 2023 (in combination referred to as the “North Island Weather Events”).
- 10 The Government has funded and undertaken a broad array of activity to support communities and businesses both in the immediate response phase, and as the recovery process commences.
- 11 One of the most challenging issues is how to identify areas that may require a change in land use due to changed risk profiles, and how to give effect to that change. The recently established Extreme Weather Recovery (EWR) Cabinet Committee has discussed this issue several times since March.
- 12 On 14 March, in response to an oral item on insurance and risk, EWR directed Treasury and the Ministry for the Environment, in consultation with the Taskforce and other agencies as appropriate, to prepare advice for EWR on 4 April 2023 on a principles-based framework, including proposed timings, sequencing and cost-sharing arrangements, for the decisions that need to be made to support communities and individual property owners to repair, rebuild or move [EWR-23-MIN-0017 refers; CAB-23-MIN-0086 refers].
- 13 Subsequently, on 5 April at EWR in the paper *Future of Locations Severely Affected by Recent Flood Events* the Associate Minister of Finance Hon Michael Wood proposed:
- A locally-led classification of properties into three categories, relating to future flood and/or landslide risk. These categories are:
- 13.1 Areas where repair or rebuild in place largely through existing support mechanisms such as private insurance is likely to be sufficient to manage future flood and landslide risk.
  - 13.2 Areas with complex issues that may require significant choices on community level solutions (for example an enhanced flood management scheme) and/or property-level interventions to manage risk to properties.

- 13.3 Areas or individual properties where future flood or landslide risk is unlikely to be cost-effectively mitigated, and a change from residential use needs to be considered.
- 14 We expect a more precise set of category definitions to be provided on 31 May when EWR will be asked to make key policy decision on the future of severely affected locations (see paragraph 29 below).
- 15 In addition, at this 5 April meeting EWR [CAB-23-MIN-0128 refers]:
- 15.1 Agreed that a framework for decisions on severely affected locations should have three overall objectives:
- 15.1.1 Provide people with as much certainty as possible about their situation, so that they can move forward with their lives.
- 15.1.2 To the extent practicable, get the "right" solution in the right place. This will mean different solutions in different locations.
- 15.1.3 Avoid significant financial hardship – rather than avoiding any financial loss for those affected.
- 15.2 Agreed that the framework for decisions on severely affected locations should be guided by the principles of:
- 15.2.1 Maintaining incentives on individuals, local government and insurers to manage risks.
- 15.2.2 Any support is appropriate and proportionate to enable individuals and communities in severely affected locations to recover from recent extreme weather and satisfactorily adapt to future risks.
- 15.2.3 Seeking opportunities to reduce long-term risk from natural hazards.
- 15.2.4 Risk and options assessments and risk management to be locally led and centrally supported.
- 15.2.5 Managing risk to tolerable levels rather than eliminating it.
- 15.2.6 Setting any central Government support at a level that can be sustainably offered in response to future events.
- 15.2.7 Ensuring that Treaty obligations and the rights and interests of Iwi / Māori are central.
- 15.2.8 Targeting those worst affected and with the least means to recover.

- 15.3 Directed officials to test this framework with a group of key stakeholders, including local government, insurers, banks, and iwi/Māori to ensure that it is workable and fit for purpose.
- 16 Subsequently, on 19 April EWR considered the paper *Future of Severely Affected Locations: Property Risk Categorisation and Engagement* and [EWR-23-MIN-0035 refers]:
- 16.1 Agreed that it is not possible to make early decisions ruling in or ruling out property level support now, due to the limited information available and the views of the relevant councils leading the local response.
- 16.2 Agreed to the following staged engagement to support councils to complete a locally-led and assured allocation of areas to categories based on risk, and, where appropriate, supporting councils with direct engagement with homeowners, affected communities, and local Māori:
- 16.2.1 Building confidence in data and supporting local government engagement capability (now to late April).
- 16.2.2 Developing consistency of thresholds and criteria and finalising the categorisation framework (now to late May).
- 16.2.3 Finalising categorisation of severely affected locations (from May according to preferred local pace).
- 16.2.4 Developing options for locations within each category (from June, according to local pace).
- 17 This paper builds on previous EWR consideration by providing an initial map of an end-to-end plan/process across the work being done by the Taskforce, agencies (e.g., Treasury and the Ministry for the Environment), and local authorities (see Attachment A). It includes key steps in the process, roles and responsibilities, key decision points and also highlights communication and engagement points. This map will be complemented by an end-to-end engagement plan being developed by the Taskforce with support from the CRU.

### **Inherent tensions in determining the future of severely affected locations**

- 18 There are some inherent tensions involved in determining the future of severely affected property. These tensions have been evident in previous New Zealand experiences as well as in overseas examples.
- 19 First, there is a tension between making timely decisions that allow people to move on with their lives and making the “best” or “better” decisions when judged by the principles set out in paragraph 15.2.
- 20 The example of Matatā is illustrative. Residents were initially allowed to remain *in situ* after a debris flow event on the assumption that a cost-effective engineering solution was available to reduce future risk. This assumption turned out to be inaccurate and ultimately residents were required to move



after a drawn-out process. This example underscores the need to build trust and confidence in local and central government decision-making.

- 21 Secondly, there is a tension between local and central decision-making. Local government retains most (but not all) relevant decision-making rights over land use changes, but central government has decision-making rights over any additional financial support provided to local government, communities, and/or individuals.
- 22 The balance to be struck is to provide a consistent and equitable central government policy framework, within which local government and their communities are able to implement bespoke responses to their unique circumstances.
- 23 Thirdly, there is a tension between engaging with local communities prior to having developed a central government policy framework and developing such a framework in the absence of input from these communities.
- 24 The attached plan/process map shows how distinct engagements with local communities will be undertaken, differentiating between listening (to gain input), consultation (to test proposals), and implementation (to put the developed framework into effect).
- 25 More broadly, the attached plan/process map indicates how each of these tensions is to be navigated in the months ahead.

### **Comments about roles and responsibilities**

- 26 Being clear about the relevant roles and responsibilities of different actors in determining the future of severely affected locations is key to driving action and enabling accountability. The following points in respect of central government are worth highlighting:
  - 26.1 The Taskforce is a key advisor to the Minister of Cyclone Recovery and the EWR Cabinet Committee – it cannot direct, or task government agencies and it cannot make decisions.
  - 26.2 The Cyclone Recovery Unit (CRU) within the Department of Prime Minister and Cabinet (DPMC) has been set up to coordinate central Government's cyclone recovery response. This means it will not have responsibility for leading any policy development, although it does have a clear role in intervening where issues arise within the policy development process to ensure work remains on track.

The CRU will run the forums across central government to ensure input from all relevant agencies, and it will play a trouble shooting role if issues arise in the policy development process. It will also ensure the connect between the plans central government agencies have and those at the local level is appropriate and well sequenced. It will also be responsible for monitoring this whole process and adjusting it as it

develops, ensuring the right parties are at the table and the dependencies between individual pieces of policy work are picked up.

- 26.3 The preceding two points mean that responsibility for leading a particular piece of policy remains with the relevant core government agency. It is very important that agencies are nimble and responsive in leading and contributing to policy work.

#### *Implementation of decisions*

- 27 Once decisions have been made about the future of severely affected locations, there will be a significant leadership role within central government to help enable local government implementation. This role will include preparation of central government communications materials, liaising between Ministers and senior local government staff, troubleshooting, and generally representing the central government's interest and responsibilities while local government implements.
- 28 This central government leadership role will be the responsibility of the CRU, although it is possible that it could devolve to another agency over time. As this role concerns implementation of decisions, it does not replace or otherwise replicate the current role of the Taskforce in engaging with local government and insurers to help categorise locations. These complementary roles are discussed further below under the heading *Engagement with local communities*.

#### **Key central government policy choices required**

- 29 Officials are due to report back to EWR on 31 May with (EWR-23-MIN-0030 refers):
- 29.1 confirmation of the severely affected locations where additional support will be considered;
  - 29.2 confirmation of the framework and overall approach applicable to the selected severely affected locations;
  - 29.3 more detailed policy design to support the proposed approach.
- 30 The ability of lead policy agencies to achieve this timeframe is heavily contingent on progress the Taskforce makes with its data gathering, analysis and categorisation of properties. However, it should be noted that information will become more granular over time. Initial categorisation is likely to accurately cover discrete areas but may not be entirely accurate for every property within an area. Communications with affected residents will need to clearly reflect the possible limitations of the nearer-term data.
- 31 As the attached plan/process map indicates, some of the key policy issues requiring resolution include:
- 31.1 Cost sharing and the level of any Crown support (noting this will need to be consistent with both the principles identified in paragraph 15.2

above, and the Central Government Funding Framework being developed by MBIE in conjunction with other agencies).

- 31.2 Achieving comfort with the level and consistency of the risk thresholds that local government has used to place locations or households into the three categories identified in paragraph 13.
  - 31.3 Determining the current legal framework within which decisions are made (that is, by who, on the basis of what evidence and analysis) and accordingly agreeing with local government a timeline and process about when announcements of different types will be made, who will make them and on what legal basis, and what needs to happen before they can be made (for example, engagement with Māori at place).
- 32 There are layers of complexity sitting within each of these policy areas. For example:
- 32.1 Under cost-sharing, should the government differentiate between the insured and uninsured, and if so, how?
  - 32.2 Under the legal framework, will there be a need to indemnify decision-makers against legal action by property owners who are unhappy with decisions and what will an appeals process look like?
- 33 A key challenge is to identify which decisions within each of these policy areas is required on 31 May to enable the process to advance, and which can be “parked” or reassessed as matters evolve.

#### **Key local government activity**

- 34 Local governments are developing regional recovery plans that are likely to include proposed investments with an influence on the future of severely affected locations. Relatedly, regional councils will be updating their legally required flood mitigation plans, and recovery plans may include additional funding proposals for flood mitigation works. The ability of local government to fund flood protection works is contingent on their financial position and rating ability.
- 35 Local government will also continue to work, with the aid of the Taskforce, on categorising locations or properties into the three categories identified in paragraph 13.

#### **Engagement with local communities – an iterative process for developing policy**

- 36 The Taskforce has been given responsibility for engaging with insurers and local government to help categorise affected areas. This activity is taking place in parallel with policy development work being undertaken by central government agencies as set out in the attached process map.

- 37 As the Taskforce's role concludes, the CRU will become responsible for central government engagement during further categorisation refinements as more granular information comes to hand, and for implementing decisions.
- 38 The Taskforce has produced the paper *Future of Severely Affected Locations: Property Risk Categorisation and Engagement*, also being considered by EWR on 3 May, which sets out its role and activity to date in more detail.
- 39 The engagement with local communities will commence with listening (to gain input), lead to consultation (to test proposals), and ultimately to implementation (to put the developed framework into effect). The Taskforce will clearly lead the first of these stages. Local authorities, supported by the CRU, will take over as the process moves to consultation on firm proposals, and as decisions are made and implemented.
- 40 As noted above, there is a balance to be struck between providing a consistent and equitable central government policy framework and enabling local government and their communities to implement bespoke responses to their unique circumstances. The scale and nature of the issues within each region will differ and is likely to lead to different approaches within a consistent centralised framework.
- 41 Local government has some powers to change land use, but it is possible that some decisions it – or potentially central government – may need to make are outside of existing legislative authority, particularly in areas where residential use is unable to continue. Additionally, even when existing legislative powers exist, local government may be reluctant to exercise them without some form of “backing” from central government, particularly relating to funding.
- 42 In essence, the front half of the process involves central government agencies creating the parameters within which local government can act. There is some parallel with the negotiating mandate provided to trade agreement negotiators. It is unclear precisely what will be agreed (by local government), but the degree of flexibility is decided before the fact (by central government).
- 43 As the proposed engagement phases with local communities suggest, the policy process will be iterative. Officials will know what questions they need to answer and have some idea of the option set when listening to communities. They will then have more worked up proposals to consult on, and they will ultimately have an agreed central government framework for local government and communities to work within and deliver solutions.

#### **Iwi Māori – unique issues**

- 44 The attached process map highlights specific Māori policy issues which will require significant involvement from both Te Puni Kokiri and Te Arawhiti within the context of the broader policy development process.
- 45 Some of the unique issues to deal with when considering the future of severely affected locations involve Māori land (or land that Māori may

realistically have an interest in in the future). Such land-related issues may arise from:

- 45.1 Te Ture Whenua Māori Land.
  - 45.2 Land within the Treaty Settlement landbank.
  - 45.3 Land specifically outlined in Treaty Settlement legislation.
  - 45.4 Land that is subject to a right of first refusal.
- 46 In addition to these land issues, it will be important to identify and address non-land related issues where Māori either as individuals or communities may require specific support. Such issues will be captured within the Māori policy issues workstream.

### **Financial and legislative implications**

- 47 There are no direct financial or legislative implications arising from this paper.

### **Regulatory Impact Statement**

- 48 This paper does not require a Regulatory Impact Statement.

### **Climate Implications of Policy Assessment**

- 49 This paper does not require a Climate Implications of Policy Assessment.

### **Population Implications**

- 50 The impacts of the severe weather events and any associated decisions about land use changes are likely to be more severe for population groups that are already vulnerable.
- 51 Some homes in higher flood risk areas are cheaper, due to the impact of potential flood damage on property value, so are more likely to be owned by those on lower incomes. Those on lower incomes are also more likely to be significantly negatively impacted due to their lower levels of financial resilience.
- 52 Māori homeowners may be more likely to reside in areas with higher flood risks (potentially due to cultural connections to these areas). Māori land is often coastal and in low-lying areas, meaning Māori communities could be disproportionately impacted by the recent events.
- 53 Collective ownership and land under treaty settlement comes with unique legal characteristics that can create difficulties in accessing insurance or finance. Māori and other vulnerable groups who are more likely to experience poor housing outcomes will also be more likely to experience financial hardship and struggle to access stable housing after a disaster. As the

attached process / plan map indicates, a separate work stream for engaging with Māori and Māori communities is identified.

- 54 Pacific and other ethnic minority communities are also more likely not to have insurance due to their lower socio-economic positions and the financial pressures associated with this. Over 80% of New Zealand's Pacific population are in the regions that were severely impacted by the Auckland flooding and the cyclone events.

### **Human Rights**

- 55 This paper does not have implications for human rights.

### **Consultation**

- 56 The following agencies have been consulted about the contents of this paper and in the development of the attached process map: Treasury, Ministry for the Environment, Ministry of Primary Industries, Ministry of Business Innovation and Employment, Te Puni Kokiri, Department of Internal Affairs, Ministry of Housing and Urban Development, Ministry of Transport, Department of Conservation, Te Arawhiti, Land Information NZ, and the New Zealand Customs Service. The Policy Advisory Group in DPMC has been informed.

### **Communications**

- 57 The Government's existing messaging has emphasised that:

57.1 We are acutely aware of people's need for certainty, but it is important we make the right decisions for each location, not the fastest and easiest ones.

57.2 There are a range of possible responses to future flood risk including building or improving flood protection infrastructure, making properties more flood-resilient, or in extreme cases managed retreat.

57.3 We are working with local government and we want decisions on responses to the floods to be locally led and incorporate the views of local communities.

57.4 The Government is working through these issues as quickly as possible.

- 58 These messages remain appropriate if public comment is required. There are future milestones in the policy development process where additional public commentary will be required, notably after significant policy decisions are made at EWR on 31 May.

### **Proactive Release**

- 59 I do not intend to proactively release this Cabinet paper at this time. The process / plan map attached to this paper continues to evolve and release

would be premature and could be misleading for affected property owners. As noted above, communications will be undertaken to provide affected property owners and other stakeholders certainty over the process the Government is following to determine its response to the flooding events.

## Recommendations

The Minister for Cyclone Recovery recommends that the Committee:

- 1 **endorse** the attached process map that sets out the current plan for getting to decisions on the future of severely affected locations and subsequent implementation
- 2 **note** the tensions inherent in reaching decisions on future land use including: making timely and making the “best” or “better” decisions, finding an appropriate balance between central and local government decision-making rights, and ensuring an appropriate level of community engagement
- 3 **note** that EWR will receive policy advice on 31 May seeking decisions on key policy issues that will allow subsequent decisions the future of severely affected properties, and that this advice will cover issues such as cost sharing arrangements, how to achieve comfort with the level and consistency of the risk thresholds used by local government, and determining the current legal framework within which decisions are made.
- 4 **note** that the Cyclone Gabrielle Recovery Taskforce has an important advisory role, is leading the work and engagement with insurers and local government as locations are assessed and categorised according to the agreed framework, and will need the assistance of central government agencies as this work proceeds
- 5 **agree** that the Cyclone Recovery Unit is responsible for co-ordination and monitoring of work and also has a trouble-shooting role that may involve intervening where processes and decisions are not keeping to plan and where issues emerge between agencies and / or between agencies and local government
- 6 **note** the Cyclone Recovery Unit will be responsible for co-ordinating central government activity, in support of local government, implementing decisions on the future of severely affected locations
- 7 **note** that line agencies remain responsible for policy development and advice within their existing policy mandates.

Authorised for lodgement

Hon Grant Robertson

**Minister for Cyclone Recovery**

Released under the Official Information Act 1982





# Cabinet Extreme Weather Recovery Committee

## Minute of Decision

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### Future of Severely Affected Locations: Process, Roles and Issues

**Portfolios** Cyclone Recovery / Associate Finance (Hon Michael Wood)

On 3 May 2023, the Cabinet Extreme Weather Recovery Committee, exercising its Power to Act in accordance with its terms of reference:

- 1 **endorsed** the process map, attached to the paper under EWR-23-SUB-0037, that sets out the current plan for getting to decisions on the future of severely affected locations and subsequent implementation;
- 2 **noted** the tensions inherent in reaching decisions on future land use, including:
  - 2.1 making timely and making the 'best' or 'better' decisions;
  - 2.2 finding an appropriate balance between central and local government decision-making rights;
  - 2.3 ensuring an appropriate level of community engagement;
- 3 **noted** that a further paper will be submitted to the Cabinet Extreme Weather Recovery Committee on 31 May 2023 seeking decisions on key policy issues that will allow subsequent decisions the future of severely affected properties, and that this advice will cover issues such as:
  - 3.1 cost sharing arrangements;
  - 3.2 how to achieve comfort with the level and consistency of the risk thresholds used by local government;
  - 3.3 determining the current legal framework within which decisions are made;
- 4 **noted** that the Cyclone Gabrielle Recovery Taskforce:
  - 4.1 has an important advisory role;
  - 4.2 is leading the work and engagement with insurers and local government as locations are assessed and categorised according to the agreed framework;
  - 4.3 will need the assistance of central government agencies as this work proceeds;

- 5 **agreed** that the Cyclone Recovery Unit be responsible for co-ordination and monitoring of work, and also have a trouble-shooting role that may involve intervening where processes and decisions are not keeping to plan and where issues emerge between agencies and/or between agencies and local government;
- 6 **noted** the Cyclone Recovery Unit will be responsible for co-ordinating central government activity, in support of local government, implementing decisions on the future of severely affected locations;
- 7 **noted** that line agencies remain responsible for policy development and advice within their existing policy mandates.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Michael Wood  
Hon Willie Jackson  
Hon Damien O'Connor  
Hon David Parker  
Hon Barbara Edmonds

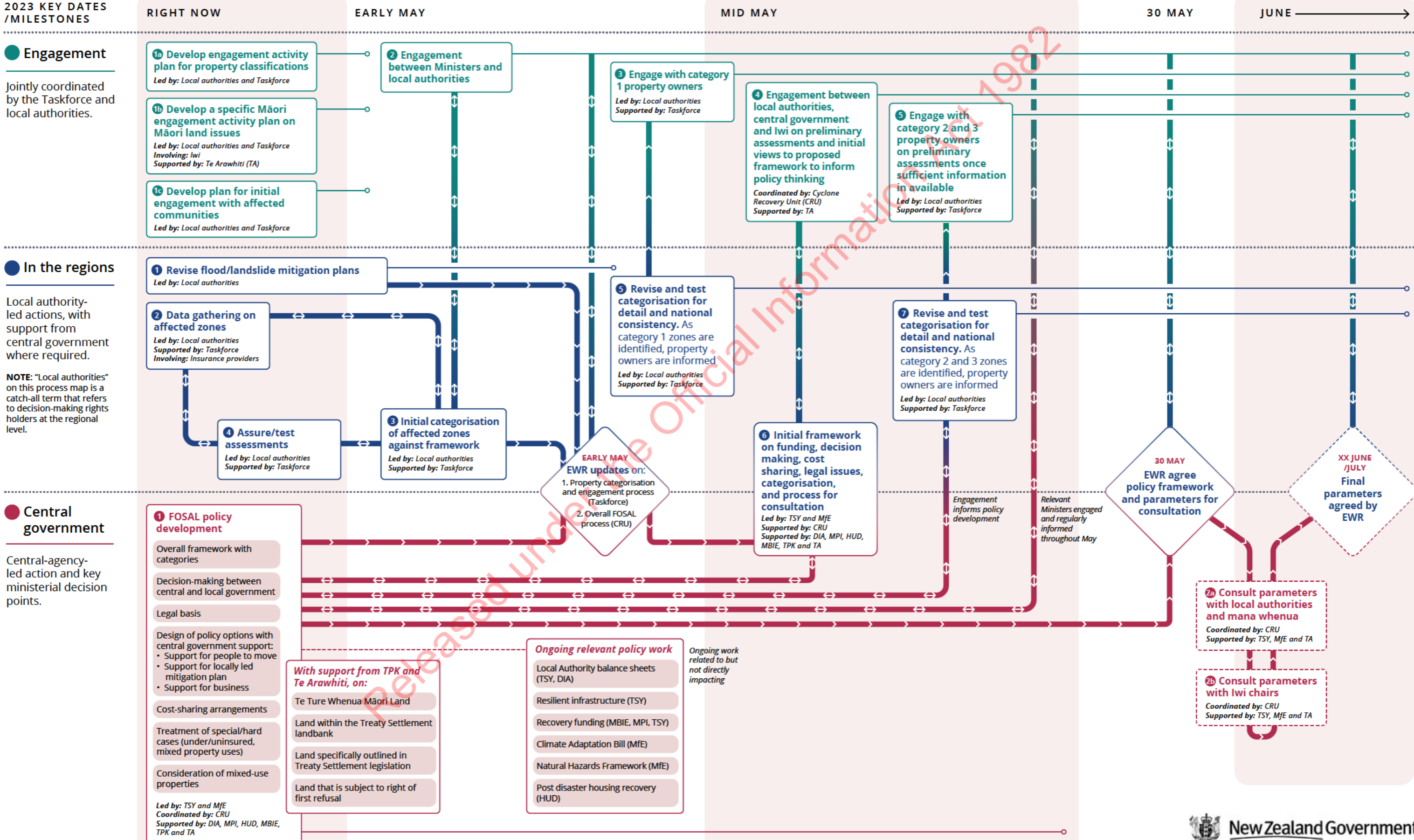
**Officials present from:**

Office of the Prime Minister  
Officials Committee for EWR  
Cyclone Recovery Unit, DPMC  
Chair, Cyclone Recovery Taskforce

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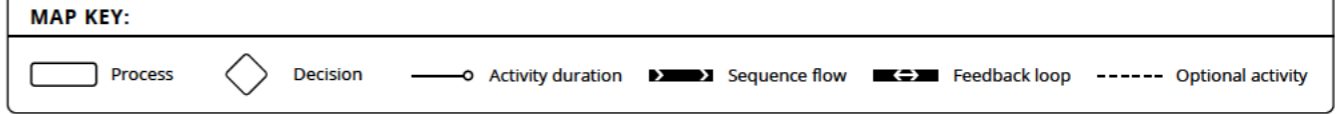
# Future of severely affected locations (FOSAL): Phase 1—Data gathering, policy options, and initial engagement

DRAFT as at 1 May 2023 15:20



# Future of severely affected locations (FOSAL): Phase 2—Consultation and implementation

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## 2023 KEY DATES / MILESTONES

JUNE/JULY

JULY/BEYOND

### Consultation

Jointly coordinated by the Cyclone Recovery Unit (CRU) and local authorities.

### In the regions

Local authority-led actions, with support from central government where required.

**NOTE:** "Local authorities" on this process map is a catch-all term that refers to decision-making rights holders at the regional level.

### Central government

Central-agency-led action and key ministerial decision points.

