



## **Proactive release of material relating to establishing a new National Emergency Management Agency (NEMA)**

The material in this proactive release includes briefings, aides memoire and Cabinet material directly related to establishing a new National Emergency Management Agency (NEMA), as itemised below. Documents relating to consultation undertaken with local government representatives have not been included in this release.

This material has been proactively released by the Department of the Prime Minister and Cabinet, on behalf of Hon Peeni Henare, Minister of Civil Defence.

<b>Date</b>	<b>Item</b>
02/05/19	Cabinet Paper: Delivering Better Responses to Emergencies: National Structures
15/04/19	Cabinet Minute of Decision: 2019 Budget Package: Vote Prime Minister and Cabinet
09/05/19	Cabinet Government Administration and Expenditure Review Committee Minute of Decision Delivering Better Responses to Emergencies: National Structures
27/03/18	Preliminary Advice on the TAG's recommendations
26/06/18	Current thinking on the National Emergency Management Agency (NEMA) to support your meeting with SSC and DPMC
26/10/18	Delivering Better Responses to Emergencies: National Structures
23/11/18	Advice on the National Emergency Management Agency (NEMA)
21/02/19	Final National Structures Cabinet Paper
28/02/19	Final National Structures Cabinet Paper Redraft
28/03/19	Letter to the Prime Minister and the Minister of Finance following Budget Bilateral
8/05/19	Cabinet Paper on National Structures for the Emergency Management System
12/03/19	Budget 2019 Initiatives and Prioritisation Submissions
12/10/18	Progress on Implementing the Emergency Management System Reforms
16/11/18	Status Update on the Emergency Management System Reforms Programme
30/11/18	Status Update on the Emergency Management System Reforms Programme
14/12/18	Status Update on the Emergency Management System Reforms Programme
30/01/19	Status Update on the Emergency Management System Reforms Programme

13/02/19	Status Update on the Emergency Management System Reforms Programme
27/02/19	Status Update on the Emergency Management System Reforms Programme
13/03/19	Status Update on the Emergency Management System Reforms Programme
10/04/19	Status Update on the Emergency Management System Reforms Programme
9/05/19	Status Update on the Emergency Management System Reforms Programme
22/05/19	Status Update on the Emergency Management System Reforms Programme

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it. Some material has also been withheld as out of scope of in these documents, as it is not directly related to establishing NEMA.

**Key to redaction codes:**

- 9(2)(a), to protect the privacy of individuals;
- 9(2)(f)(iv): to maintain the confidentiality of advice tendered by or to Ministers and officials;
- 9(2)(g)(i): to maintain the effective conduct of public affairs through the free and frank expression of opinion; and
- 9(2)(h), to maintain legal professional privilege.

The following items are not included in this release:

Item	Withholding grounds
Cabinet paper: Delivering better responses to emergencies: National Structures (2 March 2019)	Withheld in full under 9(2)(f)(iv)
Aide-Memoire: Cabinet paper on National Structures for the Emergency Management System (5 March 2019)	Withheld in full under 9(2)(f)(iv) and 9(2)(g)(i)
Budget bid: Delivering better responses to emergencies: Establishing a new national emergency management agency	Withheld in full under 9(2)(f)(iv)

~~[Budget Sensitive]~~

Office of the Minister of State Services  
Office of the Minister of Civil Defence  
Chair, Cabinet Governance and Administration Committee

## DELIVERING BETTER RESPONSES TO EMERGENCIES: NATIONAL STRUCTURES

### Proposal

1. This paper is the considered response to the Technical Advisory Group<sup>1</sup> (TAG) report *Better Responses to Natural Disasters and Other Emergencies*. It follows a paper considered by Cabinet in August 2018 [DEV-18-Min-169 refers] that informed our public response to the TAG's report. The current paper proposes changes designed to provide stronger, more proactive leadership of the emergency management system<sup>2</sup> at the national level.
2. Cabinet Governance and Administration Committee (GOV) considered this paper at its meeting on 7 March 2019. Due to the paper's reliance on new funding, GOV asked that the paper be deferred until after Budget 2019 decisions had been taken [GOV-19-Min-0008 refers]. The paper has been updated to incorporate decisions made as part of Budget 2019. It is otherwise unchanged from the version previously considered. For this reason, we have not asked DPMC to undertake further consultation.
3. This paper notes that through Budget 2019, our Government has agreed to establish a new national emergency management agency (NEMA) to replace the Ministry of Civil Defence & Emergency Management (MCDEM), as a departmental agency in the Department of the Prime Minister and Cabinet (DPMC). It seeks agreement in principle to transfer:
  - MCDEM's current lead agency responsibilities for Information Communications Technology, energy, and fuel-supply failure to the Ministry of Business, Innovation and Employment (MBIE), and for transport infrastructure failure to the Ministry of Transport (MOT) and the transport sector agencies; and
  - 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)
4. These proposals have machinery of government, legislative, and budget implications that are covered in this paper.

### Executive Summary

5. Emergency management is a key function of the national security system. Our emergency management system relies on the concept of hazard-specific lead agencies, emergency services, and civil defence emergency management (CDEM) agencies that work from an all-hazards, all-risks perspective. Success depends on there being an effective partnership between the lead agencies, emergency services and the CDEM agencies nationally, regionally, and locally.

<sup>1</sup> The TAG was chaired by Hon Roger Sowry and was made up of representatives from Local Government New Zealand, the New Zealand Police, the New Zealand Fire Service, the New Zealand Defence Force, MCDEM, and an independent consultant.

<sup>2</sup> In this paper we use the following definitions. Civil Defence Emergency Management (emergency management) is defined in the CDEM Act as 'the application of knowledge, measures, and practices that are necessary or desirable for the safety of the public or property; and are designed to guard against, prevent, reduce, recover from, or overcome any hazard or harm or loss that may be associated with any emergency'. It includes planning, organisation, co-ordination, and implementation of those measures, knowledge, and practices. Emergency management is wider than 'civil defence' and natural hazards, it covers all hazards. We use the term sector to refer to all agencies, bodies, departments and other people who have a responsibility, function or other role in emergency management. We use the term system to refer to the people, organisations, policies, processes and how they work together to achieve the system's goals. We use the term emergency to refer to an emergency under the CDEM Act.

6. The TAG, established to review New Zealand's response to recent emergencies, identified problems with the system and made a number of recommendations across a range of areas. The Government released its response to the TAG's report on 31 August 2018 [DEV-18-MIN-0169 refers]. At that time, Cabinet noted that further work would be done on the TAG's recommendations that were focused on strengthening national leadership of the system, namely: establishing a new national emergency management agency as a departmental agency within DPMC, clarifying lead agency responsibilities, and strengthening stewardship of the system.
7. Strengthening national leadership of the system is a necessary pillar of the reforms to the emergency management system alongside the decisions we've already taken around regional structures, professionalisation, and improved information for decision making.
8. We consider that the TAG's recommendation that the Government establish a new national emergency management agency, as a departmental agency hosted by DPMC to replace MCDEM represents the strongest option for New Zealand. It provides greater role clarity than the current model. It acknowledges the importance of integrated action across the 4Rs of risk reduction, readiness, response, and recovery, and draws on strengths and skillsets from across the national security system to do this.
9. For NEMA to be successful, it will be important for it to have the necessary resources and capability. The TAG expected that this would require strengthening of the existing capability and capacity. 9(2)(f)(iv), 9(2)(g)(i)  
[REDACTED]
10. Through Budget 2019, Cabinet provided \$3m a year to establish the new agency. This will allow us to move in the right direction by setting up the new agency, addressing key issues and pressures (in particular 24/7 tsunami warning capability) and building up critical functions within NEMA such as strengthening operations, developing capability to set and enforce standards, and workforce development. It will also give us an agency that we can grow further in future years when funding allows.
11. In terms of the TAG's recommendations around lead agencies, this paper proposes that during the transition to NEMA, some of MCDEM's current lead agency responsibilities would be transferred to the Ministry of Business, Innovation and Employment (MBIE), and to the Ministry of Transport (MOT) and the transport sector agencies. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)  
[REDACTED]

## Background

12. One of the most important responsibilities of any government is to ensure the security of the nation. The government needs a resilient national security system (NSS) to support it in this role. The NSS machinery involves a wide range of participants and is led by DPMC. It takes an integrated approach across the 4Rs of risk reduction, readiness, response, and recovery. An important function in achieving national security is responding effectively to emergencies when they occur. The system must be ready and able to respond, and support recovery, when required.
13. The TAG, established to review New Zealand's emergency response system, identified problems with the system and made a number of recommendations across a range of areas. The Government released its response to the TAG's report *Better Responses to Natural Disasters and Other Emergencies* on 31 August 2018 [DEV-18-MIN-0169 refers].

14. The Government's response indicated that further work would be done on the TAG's recommendation that the emergency management system needs stronger national leadership; specifically that the Government establish a new national emergency management agency as a departmental agency within DPMC, clarify lead agency responsibilities, and strengthen the stewardship of the system. This paper responds to these recommendations.

### Objectives of change

15. New Zealand is exposed to a range of hazards and threats that have the potential to negatively affect our people, their communities, our economy, and our environment. For this reason, our approach to emergency management recognises the need to plan for and respond to individual hazards as well as for managing the generic consequences that arise from emergencies. Our system relies on the concept of lead agencies for specific hazards as well as civil defence emergency management agencies that apply their arrangements from an all-hazards, all-risks perspective. Success depends on there being an effective partnership between the lead agencies and the civil defence emergency management agencies nationally, regionally, and locally.
16. We are seeking an increased focus on achieving an integrated, community-focused response to, and recovery from, emergencies across all hazards and risks. This requires greater integration between the hazard-specific and all-hazards parts of the system, as well as greater professionalisation and consistency regionally and locally. Achieving this change requires action across a range of fronts, many of which we addressed in our response to the TAG's report in August 2018. Our response to date has focused primarily on the regional part of the system.
17. The TAG's recommendations about strengthening national leadership of the system are a key component of the overall package. We need to lift the profile and influence of the emergency management function within government and strengthen its integration with the other parts of the system. At the national level (the focus of this paper) achieving this change requires:
  - greater role clarity at the national level<sup>3</sup>;
  - operationally-focused leadership able to influence across the system (i.e. the hazard-specific lead agencies and the all-hazard civil defence emergency management agencies);
  - a shift in culture, objectives, business strategy, and operating model at the national level; and
  - stronger system stewardship.
18. Strengthening national leadership of the system will help protect and enhance current and future wellbeing in New Zealand by reducing the likelihood of emergencies happening (where possible) or their impact if they occur. It will also build the resilience of the four capitals to the risks they face.

### **The TAG recommended that NEMA should focus on proactive and professional leadership of the emergency management sector with a strong operational focus**

19. Through Budget 2019, we have accepted the TAG's recommendation that the Government establish NEMA, as a departmental agency hosted by DPMC to replace MCDEM. This represents the strongest option for New Zealand. It will provide greater role clarity than the

3 The Government has already made decisions that will address role clarity issues at the regional and local levels.

## BUDGET SENSITIVE

current model, acknowledge the importance of integrated action across the 4Rs, and draw on strengths and skillsets from across the national security system. It will achieve this by:

- establishing an agency to provide proactive and professional leadership of the emergency management sector, with a strong focus on effective response to emergencies under the CDEM Act across all hazards and all communities
- lifting the performance of the system through activities such as setting and enforcing standards; and
- clarifying the relationship of the emergency management agency to the wider national security system, with the latter focused on activities such as strategic policy, the management of risks to New Zealand's resilience, and integration across all hazards and the 4Rs at all levels.

20. NEMA will provide strong, national leadership to our distributed emergency management system. Cabinet has agreed that:

- NEMA's **role** is to work across central government and with local government, communities, iwi, and business to create an emergency management system that is ready and able to provide an effective and integrated response to, and recovery from, emergencies so as to reduce the impact of emergencies on New Zealand's people, communities, property, critical infrastructure, economy, and environment.
- NEMA's core **function** is to enable the Director CDEM to meet their functions and duties and exercise their powers.
- to fulfil its role and function, NEMA will:
  - provide a clear sense of **direction** to the emergency management sector;
  - build the **capability and capacity** of the emergency management system to plan for, withstand, respond to, and recover from emergencies;
  - lead or support **responses** to, and recovery from, emergencies (irrespective of cause); and
  - provide **assurance** to Government and the public about the performance and capability of the emergency management system to respond effectively.

21. Responsibility for reducing the likelihood of emergencies happening and reducing their impact when they do occur sits across a wide range of agencies within the NSS. NEMA will be a key participant in this system across all hazards and risks. It will have particular focus on promoting and advocating risk reduction across the system and ensuring that this understanding is built into emergency management plans.

22. NEMA's primary focus will be on the performance and capability of the system as a whole, which means that ideally it should not focus on managing specific hazards as this is in conflict with a responsibility to look across all hazards. However, in reality it will need to retain some responsibility for natural hazards as there is no obvious home for this work and there is a risk that it would not receive a priority focus. Therefore, Cabinet has agreed that in addition to its whole-system, all-hazard functions set out in paragraph 20, NEMA will also have a function focused on contributing to risk reduction in relation to natural hazards, in particular geological hazards. This is discussed in paragraphs 49-50.

23. NEMA will not have responsibility for:

- other activities that focus on New Zealand's resilience, risks to this, and ensuring integration across the national security system and across the 4Rs. This is the role of

**DPMC as the leader of the national security system.** The TAG recommended that strategic policy relating to emergency management across all relevant Acts be considered as part of wider national security policy and that responsibility for it be transferred to DPMC; and

- ensuring the regulatory system for emergency management is fit-for-purpose and making recommendations about how to improve the regulatory framework provided by the CDEM Act. This will be the function of NEMA's **host agency**. This is consistent with the arrangements for the other intelligence agencies and does not detract NEMA from its focus on readiness, response and recovery. Over time NEMA will include an operational policy function that supports it in its role.

24. These high-level roles and responsibilities at the central government level are summarised in the table below. These will need to be underpinned by strong influencing skills, relationship management and stakeholder engagement as NEMA will need to co-ordinate and leverage action and resources across the system to be successful.
25. We are not proposing to change the regional planning and delivery model which will continue to be led by CDEM Groups. NEMA will work with the regionally-based CDEM Groups to ensure the system is able to respond across all hazards and all communities in their areas.

<b>Ministers</b>	
<b>Official's Committee for Domestic and External Security Co-ordination (ODESC)</b>	
<b>DPMC</b>	
Focus: New Zealand's resilience, risks to this, and ensuring integration across the <b>national security system</b>	
<ul style="list-style-type: none"> <li>Undertaking foresight, horizon scanning, and risk assessment activities</li> <li>Developing system strategy</li> <li>Developing system policy settings</li> <li>Making/advising on system investment choices</li> <li>Undertaking research into long-term trends and policy problems that have cross-system implications</li> <li>Providing/supporting system stewardship</li> </ul>	
<b>Host Agency</b>	<b>NEMA</b>
Focus: ensuring the <b>regulatory framework for emergency management</b> is fit-for-purpose and hosting the agency	Focus: creating an <b>emergency management system</b> that is ready and able to respond to, and recover from, emergencies
<ul style="list-style-type: none"> <li>Policy – make recommendations to the government of the day about improving the CDEM Act</li> <li>Administer Vote/appropriations</li> <li>Develop strategic intentions and 4-year plan for the whole department</li> <li>Responsible for departmental-wide HR matters</li> <li>Provide shared services</li> </ul>	<ul style="list-style-type: none"> <li>Engage in strategic policy processes &amp; national risk identification and management</li> <li>Operation of the CDEM Act</li> <li>Operational policy e.g. CDEM strategy<sup>4</sup> &amp; CDEM Plan</li> <li>Identify hazards and risks the emergency management system needs to plan for</li> <li>Set and enforce standards; monitor compliance</li> <li>Emergency management workforce development</li> <li>Public education</li> <li>Infrastructure development</li> <li>Response and recovery operations</li> <li>Provide assurance about the performance of the emergency management system</li> <li>Stakeholder engagement</li> <li>Some hazard-specific responsibilities for natural hazards (see paragraphs 49-50)</li> </ul>

<sup>4</sup> MCDEM is currently leading development of a new strategy under the CDEM Act called the National Disaster Resilience Strategy, the final version of which was considered by Cabinet in February 2019.

**A Departmental Agency is the most appropriate organisational form for NEMA**

26. Our current national emergency management agency is MCDEM, a branded business unit within DPMC<sup>5</sup>. MCDEM has no statutory responsibilities and its primary role is to enable the Director CDEM to meet their functions, use of powers, and duties.
27. The role and functions of NEMA are similar to those of MCDEM. This means that in principle, many of the changes required could be achieved through non-structural options. However, the TAG noted that the nature of the shift required is significant and we agree. We need to lift the profile and influence of the emergency management function within government so that it is able to effectively influence across central and local government at chief executive level. We agree with the TAG that a structural change is needed to achieve this.
28. The national agency needs to have a high degree of Ministerial control and oversight as Ministerial power can be sought to give effect to policy. For this reason, we have discounted any organisational forms that require an arms-length separation from the Minister (i.e. a Crown entity). As such, we considered there are to be three options available – standalone department, departmental agency or branded business unit within a department (the status quo).
29. The criteria used for deciding on the form of NEMA are that it provides:
  - greater role clarity at the national level;
  - operationally-focused leadership able to influence across the system (i.e. the hazard-specific lead agencies and the all-hazard emergency management agencies);
  - a shift in culture, objectives, business strategy, and operating model at the national level; and
  - stronger system stewardship.
30. Based on the proposed functions and set of criteria, we considered that the proposed new entity should take the form of a departmental agency. Even with additional funding, delivering through a business unit of a government agency would be sub-optimal as it does not sufficiently lift the profile and influence of the emergency management function in the way that a more independent entity with a chief executive would be able to. The departmental agency form provides an opportunity to consolidate operational and regulatory functions across all hazards and risks, providing system coherence in all emergency management scenarios. The departmental agency form would also provide the required mana or status of leadership and the greater autonomy required to deliver on its set of functions.
31. While benefits would come from a standalone department for emergency management, the size and scale of the entity do not merit this. Many of the benefits of a department are replicated in a departmental agency and those that are not could be managed with appropriate leadership and oversight from the host agency and departmental agency leadership teams.

**DPMC is the most appropriate host for NEMA in the first instance**

32. The departmental agency form requires a host agency. The TAG recommended that DPMC should be NEMA's host because of its proximity to ODESC and the national security system provided by DPMC, gives the emergency management function prominence and influence within both central and local government, as well as ease of access to decision makers when

<sup>5</sup> MCDEM moved from the Department of Internal Affairs to DPMC in 2015 following the recommendation of an independent review of the response to 2011 Christchurch earthquake.



this is really needed i.e. when managing a significant response. Through our public response to the TAG's report, we have agreed a significant programme of change in the emergency management sector. We do not want to unnecessarily disrupt this work at this stage. Therefore we considered that NEMA should be established as a departmental agency hosted in DPMC in the first instance.

33. In our consideration of the TAG's recommendations, we considered alternative hosting options that might serve better than DPMC once any new departmental agency is given time to bed in. The Chief Executive of DPMC and the State Services Commissioner will, in consultation with the Minister of Civil Defence, consider progress, including whether NEMA is appropriately located in DPMC, once the agency had been up and running for a year.
34. We shared the TAG's view that NEMA should not be located in Fire and Emergency New Zealand (FENZ). FENZ has an important role within the emergency management system along with a number of other lead agencies and emergency services (e.g. the New Zealand Police, Ministry of Health). However, we do not think that FENZ is the best place for a national agency with an all-hazards, all-risks focus given its primary responsibilities relate to specific hazards. In addition, as a Crown entity it would not allow for the close connection needed with the Minister of Civil Defence who plays an important role constitutionally in emergencies under the CDEM Act. The Minister of Civil Defence is the authority of last resort with powers that include declaring states of emergency and directing resources. This requires a strong relationship between the Director CDEM/NEMA and the Minister.

**It will be important to manage transition from our current arrangements to any new ones**

35. Any transition from the current arrangements to any new ones will need to be managed carefully. If change is managed poorly, there is a risk that the system will be unable to respond to an emergency that happens as staff move through a change process. Therefore, we have considered when and how NEMA would be established and the process by which other agencies would be engaged in the next stage of development.

***Approach to establishment***

36. To minimise the impact on staff and business continuity we recommend that initial change that sets the new direction occurs as soon as possible. We aim to establish the new agency by 1 October 2019. To achieve this, we will report back to Cabinet before then on the range of matters needed to establish the agency, including:
  - asking Cabinet to invite the Minister of State Services to instruct Parliamentary Counsel Office to draft an Order in Council to establish a new Departmental Agency;
  - the process for the State Services Commissioner to appoint an acting or substantive chief executive for the new agency; and
  - clarifying issues between the host agency and the departmental agency, including determining appropriate vote and appropriation structures, and employment arrangements.

***Engagement of other agencies***

37. There is agreement among agencies as to the concept of NEMA and the broad shape of its role. There is a strong desire to be involved as NEMA is designed and established to ensure that roles and responsibilities are clear so that readiness, response and recovery activities are co-ordinated and effective. DPMC/NEMA will establish a senior officials group to help operationalise our decisions.

38. FENZ started operation on 1 July 2017. While it has a strong focus on preventing, responding to, and minimising the impact of fires, it also has a role in protecting and preserving life as well as preventing or limiting injury, damage of property, land, and the environment. It must do this in relation to fire, hazard substances, rescuing trapped people, and urban search and rescue. It is also required to assist in a range of other areas to the extent that it has the capability and capacity to do so.
39. Having been in operation for 18 months, FENZ is developing its strategic direction and operating model. It will be critical that FENZ and NEMA work effectively to serve communities and implement their roles in a seamless manner, avoiding duplication and confusion. At the local level it will be important for FENZ's local advisory committees and CDEM Groups to do the same. DPMC/NEMA officials will work with FENZ to develop the new model of roles and responsibilities, as they will with other lead agencies with responsibilities under the CDEM Act.

**Our all-hazards approach requires a strong partnership between hazard-specific lead agencies and all-hazards emergency management agencies**

***Clarifying the term 'lead agency'***

40. As noted earlier (paragraphs 15-16) our emergency management system relies on the concept of lead agencies for specified hazards as well as emergency management agencies that work from an all-hazards, all-risks perspective. The term 'lead agency' is used in a range of documents and its meaning changes with context and by document. In some cases the definition relates to an agency's role in a response and in others to activities across the 4Rs. The scope and number of definitions has led to a range of interpretations, making the responsibilities and authority of a lead agency unclear. The TAG recommended that we clarify and review lead agency descriptions and allocate lead agency responsibilities to appropriate agencies. We agree.
41. The Minister of Civil Defence advises that the existing framework for lead agencies does not need to change but that it can be strengthened by ensuring that:
  - the terminology used in the CDEM Act, National CDEM Plan Order<sup>6</sup>, Co-ordinated Incident Management System (CIMS), and the national risk work are aligned when these documents are updated. Currently they do not align;
  - NEMA builds understanding across the sector and of the various agencies of roles and responsibilities in a multi-agency event; and
  - the lead agency for certain hazards is clarified. This is covered below.

***Clarifying lead agency responsibilities***

42. The TAG recommended that NEMA should not have lead agency responsibility for specific hazards as this is inconsistent with the focus of the agency on all hazards and on the system as a whole. They recommended that we clarify responsibilities in a number of areas. Currently MCDEM is listed in the National CDEM Plan Order as the lead agency for infrastructure failure, geological hazards, and meteorological hazards. We discuss each of these below.

***Infrastructure failure***

43. The TAG recommended MBIE "is specified as lead agency with responsibility for infrastructure failure, and that there are calls to be made in relation to lead agency

<sup>6</sup> The National CDEM Plan Order is a legislative instrument under the CDEM Act

responsibility for transport and water". We recommend sharpening the definition of MBIE's lead agency role as being for Information Communications Technology (ICT), energy, and fuel-supply failure only, to better reflect the scope of MBIE's infrastructure mandate. Regarding **transport**-related infrastructure failure, MCDEM currently has the formal lead agency mandate for this. However, the transport sector agencies currently fulfil this role informally.

44. Both MBIE and MOT (with the transport sector agencies) agree in principle that they are the lead agency for their aspects of infrastructure failure<sup>7</sup>, working closely with the emergency management agencies to provide an integrated and co-ordinated response to incidents as well as emergencies under the CDEM Act. However, before they formally take on this role, they have stated they need to fully understand what will be expected of them in the role and any associated costs. In particular, they are keen to understand the changed role of the national agency, the support they might get from NEMA, and how this might impact their role as lead agency.
45. To enable the process of clarifying lead agency responsibilities to continue, we recommend that Cabinet agree in principle that MBIE is the lead agency for ICT, energy, and fuel-supply failure, and that MOT and the transport sector agencies are the lead agencies for transport infrastructure failure. However, we note that it will take time to fully scope out how this will work in practice across the sectors, how the newly defined roles will integrate with the CDEM agencies, and any associated costs.
46. Any transfer from MCDEM to other agencies will need to be formalised through the National CDEM Plan Order, which is due to be reviewed by November 2020. Updating the National CDEM Plan Order will be led by NEMA and will be a collaborative process that involves the agencies concerned to ensure that roles and responsibilities are clear and reflect the characteristics of each hazard, the lead agency's legislative framework, and the evolving role of NEMA. In the case of transport, this work will be informed by the work MOT is leading on a Transport Hazard Management Strategy.
47. MBIE has done initial modelling and indicative costings for taking on the lead agency responsibility. It <sup>9(2)(f)(iv)</sup> notes that more detailed scoping of the function will enable them to determine whether additional investment is needed.<sup>8</sup> The transport sector already has some resource applied to lead agency work and has indicated that additional resource may be needed once the role is further developed. It is too early to be specific.
48. Regarding lead agency responsibilities relating to **drinking water, wastewater and stormwater**, we propose that decisions are not taken until after the Department of Internal Affairs has provided advice on the Three Waters review, which will occur in tranches to Cabinet through to late 2019.

#### *Geological and meteorological hazards*

49. New Zealand's exposure to geological and meteorological hazards means that having natural hazard expertise in the system is essential. Given our exposure to these risks, their impact on communities should they occur, and the number of agencies involved, it is important that we have an agency that takes a lead co-ordination role in relation to them. There is no obvious home for this in central government and we believe NEMA needs to have this role.

<sup>7</sup> The Ministry of Transport is currently working with transport sector agencies, and other agencies, to clarify responsibilities in major transport incidents. Once agreed this can be formally reviewed during the review of the National CDEM Plan in 2020.

<sup>8</sup> We have assumed that there will not be a role for the recently established Infrastructure Body in emergency response.

50. For 'sudden onset' natural hazard events (e.g. earthquake, tsunami and volcanoes) that almost always cause an emergency under the CDEM Act when they occur, NEMA should have a co-ordination role across the 4Rs. For other natural hazard risks (e.g. flooding), where there is no obvious alternative, NEMA should take on this role jointly with one or more relevant agencies. NEMA will need expertise around natural hazard risks and risk co-ordination to fulfil these functions.

*Responsibility for tsunami alerting and warning*

51. An important function of the emergency management system is providing information that enables those that have a role in emergency management, as well as individuals and communities at risk from hazards, to make good decisions. An effective warning system includes monitoring and detecting that something has happened and assessing the threat (monitoring); letting those that have a role in emergency management, the media, and the public know that something has occurred (alerting) and if they need to take action (warning); and taking action (emergency managers activating a response if needed; public taking action).
52. Recent investment in GNS Science has created a national geohazards centre with 24/7 awake monitoring capability at its site in Avalon. However, we do not have a 24/7 awake alerting and warning capability. This function is currently performed by MCDEM staff who take on this responsibility in addition to their other work and are woken up if needed.

53. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)



54. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)



55. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)



56. Some of the money appropriated for NEMA in Budget 2019 will be used to address issues with the current approach in which MCDEM staff are on call and woken up if needed.

**Strengthening system stewardship requires effective leadership from governance boards and good information on which to base decisions**

57. The final component of the TAG's national leadership recommendations relates to strengthening stewardship of the emergency management system. The TAG advised that

9 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)



there are barriers to addressing cross-cutting issues in the system that need collective leadership and commitment from a number of agencies. They advised that we need effective mechanisms to help achieve this.

58. As noted earlier, the NSS supports the Prime Minister to manage national security. ODESC, led by DPMC, includes a number of structures that provide leadership to the system both during and outside a response. The ODESC system is the most appropriate one to provide stewardship to the emergency management system.
59. Good information and effective monitoring are a critical part of system stewardship. In its report, the TAG recommended that emergency management system monitoring responsibilities be shared between NEMA and the Office of the Auditor General (OAG). Neither we, nor OAG, agree the role envisaged for them by the TAG. However, monitoring the capability and performance of the system is an important function in which NEMA, the host agency, and the ODESC system would all have roles:
  - the national emergency management agency would assure system capability and performance through setting, monitoring, and reporting on standards as well as by undertaking objective assessments of the sector's performance, capacity and capability;
  - the host agency's regulatory policy function would ensure that the emergency management regulatory system is performing to a high standard by monitoring, reviewing, and reporting on the regulatory system; and
  - the ODESC system has an oversight role and would identify system-wide improvements that may be needed.
60. The performance of the national emergency management agency will be monitored through the usual arrangements for a departmental agency.

### Consultation

61. The following agencies were consulted on the version of this paper considered by GOV on 7 March 2019: The Treasury; the Ministries of Business, Innovation and Employment, Civil Defence & Emergency Management, Health, Social Development, Foreign Affairs and Trade; the Ministry for Primary Industries; the Department of Internal Affairs (Local Government); DPMC (National Security Group); DPMC (Policy Advisory Group); New Zealand Police; New Zealand Defence Force; Fire and Emergency New Zealand; GNS Science; and the New Zealand Transport Agencies (Ministry of Transport, Maritime New Zealand, Civil Aviation Authority, New Zealand Transport Authority, New Zealand Search and Rescue).
62. The paper has been updated to incorporate decisions made as part of Budget 2019. It is otherwise unchanged from the version previously considered. For this reason, we have not asked DPMC to undertake further consultation.
63. As part of the work to put together the Government's response to the TAG's report, DPMC officials engaged with local government and other stakeholders. That engagement with local government also covered matters related to national structures at a high level, in particular the NEMA proposal. In general, stakeholders believe that strengthening national leadership of the system is a necessary pillar of the reforms to the emergency management system alongside the decisions we've already taken around regional structures, professionalisation, and improved information for decision making.

### Financial Implications

64. No financial decisions are sought in this paper. For NEMA to be successful, it will be important that it has the resources and capability to do the job expected. The TAG expected that this would require strengthening of existing capability and capacity. 9(2)(f)(iv)
65. Through Budget 2019, Cabinet provided \$3m a year to establish the new agency. This will allow us to move in the right direction by setting up the new agency, addressing key issues and pressures (in particular 24/7 tsunami warning capability) and building up critical functions within NEMA such as strengthening operations, developing capability to set and enforce standards, and workforce development. It will also give us an agency that we can grow further in future years when funding allows.

### Legislative Implications

66. Changes to legislation (including to regulations), will be required to implement the changes in this paper, including:
- 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h)
  - An Order-in-Council to establish the departmental agency
  - Amending the National CDEM Plan Order to reflect any decisions to change lead agency roles. The current plan is operative until 30 November 2020. It can be reviewed prior to this date and it can also remain in force if not replaced by 30 November 2020 through section 45(b) of the CDEM Act
  - On establishment, the Chief Executive/Director would have the existing functions and powers of the Director CDEM. Amendments may be needed to support this shift.
67. The Government has already agreed to make changes to the CDEM Act 2002 as part of its response to the TAG report. 9(2)(f)(iv)
- DPMC is currently leading a programme of work to finalise the policy necessary to amend the CDEM Act.

### Human Rights

68. There are no proposals in this paper that are inconsistent with the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

### Gender Implications and Disability Perspective

69. A strengthened national emergency management agency would have a strong focus on strengthening the resilience of individuals and communities to take action to reduce their risks, connect with others, and build resilience to shocks and stresses. We acknowledge that this would involve tailored and inclusive approaches to reduce inequality in vulnerability to emergencies. While this would involve action from actors across the system (e.g. local government, lead agencies), the NEMA would play an important leadership role in ensuring that the safety and wellbeing of people is at the heart of the emergency management system. Our NEMA costings include people that would focus on building community relationships and resilience.

### Publicity and proactive release

70. Publicity on Cabinet's decisions will be co-ordinated between the offices of the relevant Ministers.
71. This paper will be proactively released in line with the requirements of Cabinet Office Circular (18) 4.

### Recommendations

72. The Ministers of State Services and Civil Defence recommend that the Committee:
  1. **note** that responding effectively to emergencies when they occur is an important function in achieving national security. The system must be ready and able to respond, and support recovery, when required;
  2. **note** that New Zealand's emergency management system takes an all-hazards approach and requires collaboration between a wide range of organisations nationally and locally, and that many portfolios are involved, not just those traditionally considered as 'Civil Defence';
  3. **note** that the Technical Advisory Group (TAG) established to review New Zealand's emergency response system, identified problems with the emergency management system and made a number of recommendations across a range of areas;
  4. **note** that the Government released its response to the TAG's report *Better Responses to Natural Disasters and Other Emergencies* on 31 August 2018 [DEV-18-MIN-0169 refers]. At that time Cabinet noted that:
    - 4.1. the Minister of Civil Defence will work with the Minister of States Services to develop a follow-up paper on the function, form, and location of a national emergency management agency by November 2018;
    - 4.2. the Minister of Civil Defence will include advice on lead agencies as part of the November 2018 paper;
    - 4.3. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) [REDACTED]
  5. **note** that the Minister of Civil Defence is seeking an increased focus on achieving an integrated, community-focused response to, and recovery from, emergencies across all hazards and risks, and that this requires greater integration between the hazard-specific and all-hazards parts of the system;
  6. **note** that achieving this change requires action across a range of fronts, including strengthening the leadership of the emergency management system;
  7. **note** that we need to lift the profile and influence of the emergency management function within government;

#### *National emergency management agency*

8. **note** that the Ministers of State Services and Civil Defence consider that a departmental agency is the most appropriate form of entity for our national emergency management

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agency as it provides the required mana or status of leadership and the greater autonomy required to deliver on its set of functions;

9. **note** that through Budget 2019, Cabinet:

- 9.1. **agreed** to establish a new emergency management agency as a departmental agency hosted by the Department of the Prime Minister and Cabinet from 1 October 2019, to replace the Ministry of Civil Defence & Emergency Management;
- 9.2. **agreed** that the core function of the national emergency management agency is to enable the Director Civil Defence Emergency Management to meet their functions and duties and exercise their powers;
- 9.3. **agreed** that to fulfil this function the national emergency management agency's role will be to work across central government and with local government, communities, iwi, and business to create an emergency management system that is ready and able to provide an effective and integrated response to, and recovery from, emergencies (as defined in the Civil Defence Emergency Management Act);
- 9.4. **agreed** that to fulfil its function and role, the national emergency management agency will:
  - 9.4.1. provide a clear sense of direction of the emergency management sector;
  - 9.4.2. build the capability and capacity of the emergency management system to plan for, withstand, respond to, and recover from emergencies;
  - 9.4.3. lead or support responses to, and recovery from, emergencies (irrespective of cause);
  - 9.4.4. provide assurance to Government and the public about the performance and capability of the emergency management system to respond effectively;
- 9.5. **agreed** that in addition to these whole-of-system, all-hazard functions, the national emergency management agency will also have a leadership role across the 4Rs (risk reduction, readiness, response, and recovery) in relation to natural hazards, in particular geological hazards;
- 9.6. **noted** that the funding provided in Budget 2019 will enable the agency to be established and some priority functions to be strengthened;
- 9.7. **noted** that the Minister of State Services and the Minister of Civil Defence will jointly report back to Cabinet on the range of matters needed to establish the agency, including:
  - 9.7.1. asking Cabinet to invite the Minister of State Services to instruct Parliamentary Counsel Office to draft an Order in Council to establish a new Departmental Agency;
  - 9.7.2. the process for the State Services Commissioner to appoint an acting or substantive chief executive for the new agency;
  - 9.7.3. clarifying issues between the host agency and the departmental agency, including determining appropriate vote and appropriation structures, and employment arrangements;
  - 9.7.4. the Government's response to the other recommendations related to the national leadership of our emergency management system made by the



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Technical Advisory Group in its report “Better responses to natural disasters and other emergencies”;

9.8. 9(2)(f)(iv)

10. **note** that the Chief Executive of the Department of the Prime Minister and Cabinet and the State Services Commissioner will, in consultation with the Minister of Civil Defence, consider progress, including whether the agency is appropriately located in the Department of the Prime Minister and Cabinet, once the agency had been up a running for a year;
11. **note** that the Department of the Prime Minister and Cabinet will work collaboratively with other agencies in the emergency management system as the national emergency management agency is designed and established, and to clarify respective roles and responsibilities.
12. **note** that the Ministers of State Services and Civil Defence do not agree with the Technical Advisory Group that the Office of the Auditor General would report on emergency management matters in its local government audits;
13. **note** the national emergency management agency, the host agency, and the ODESC system will have roles in monitoring the capability and performance of the system:
  - 13.1. the national emergency management agency will assure system capability and performance through setting, monitoring, and reporting on standards as well as by undertaking objective assessments of the sector’s performance, capacity and capability;
  - 13.2. the host agency’s regulatory policy function will ensure that the emergency management regulatory system is performing to a high standard by monitoring, reviewing, and reporting on the regulatory system;
  - 13.3. the ODESC system will have an oversight role and identify system-wide improvements that may be needed;
14. **note** the performance of the national emergency management agency will be monitored through the usual arrangements for a departmental agency;

### *Lead agencies*

15. **note** that in relation to the Technical Advisory Group’s recommendations relating to lead agencies, the existing lead agency framework does not need to change but that the Minister of Civil Defence intends to strengthen it by ensuring that:
  - 15.1. the terminology used in the Civil Defence Emergency Management Act 2002, the National Civil Defence Emergency Management Plan Order, the Co-ordinated Incident Management System, and the national risk work are aligned when these documents are updated;
  - 15.2. the national emergency management agency builds understanding across the sector and of the various agencies of roles and responsibilities in a multi-agency event;
  - 15.3. the lead agency for certain hazards is clarified as set out in recommendation 16;
16. **agree in principle** that:

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- 16.1. the Ministry of Business, Innovation, and Employment should be the lead agency for Information Communications Technology, energy, and fuel-supply failure;
- 16.2. the Ministry of Transport and the transport sector agencies should be the lead agencies for transport infrastructure failure;
17. **note** that for both agencies/sectors it will take time to fully scope the lead agency role in more detail, how this will work in practice across their sectors, and how this will integrate with the civil defence emergency management agencies;
18. **note** that MBIE has provided an early estimate of 9(2)(f)(iv) [redacted] for this function and that this would need to be confirmed through the process;
19. **note** that the Ministry of Transport has indicated that there may be cost implications for agencies in the transport sector but that it is too early to be specific;
20. **note** that any transfer of lead agency responsibility to the Ministry of Business, Innovation, and Employment and the transport sector agencies will need to be formalised through the National CDEM Plan Order, which is due to be reviewed by November 2020;
21. **note** that decisions regarding lead agency responsibilities relating to drinking water, wastewater and stormwater will be made after the Department of Internal Affairs has provided advice on the Three Waters review;

*Tsunami warning*

22. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) [redacted]
23. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) [redacted]
24. 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) [redacted]
25. **note** that 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) [redacted] some of the money appropriated for NEMA in Budget 2019 will be used to address issues with the current approach within the Ministry of Civil Defence & Emergency Management 9(2)(f)(iv), 9(2)(g)(i), 9(2)(h) [redacted]

Authorised for lodgement  
Hon Chris Hipkins  
Minister of State Services

Authorised for lodgement  
Hon Kris Faafoi  
Minister of Civil Defence