



Proactive Release

The following document has been proactively released by the Department of the Prime Minister and Cabinet, on behalf of Hon Mark Mitchell, Minister for Emergency Management and Recovery:

Recovering from Significant Events: Decision-making Tools

The following documents have been included in this release:

Title of paper: Recovering from significant natural hazard events - Development of decision-making tools (ECO-24-SUB-0237 refers)

Title of minute: Report of the Cabinet Economic Policy Committee: Period Ended 25 October 2024 (CAB-24-MIN-0413 refers)

Title of minute: Recovering from Significant Events: Decision-making Tools (ECO-24-MIN-0237 refers)

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 information is not in scope and is marked accordingly.

Key to redaction code:

- section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials.

Office of the Minister for Emergency Management and Recovery
Cabinet Economic Policy Committee

Recovering from significant natural hazard events – Development of decision-making tools

Proposal

1. This paper provides an overview of work to develop a suite of tools to support immediate ministerial decision-making about recovery settings following a significant natural hazard event. I seek Cabinet's agreement to the scope of this work and to consult with a range of councils, iwi and stakeholder groups affected by recent events to inform the development of these tools.


Relation to Government priorities

2. This paper relates to the recovery from the 2023 North Island Weather Events (NIWE) and the Government's priority to deliver better public services.

Executive summary

3. When an event occurs where the impact is nationally significant and recovery is expected to be complex, lengthy, and costly, Government may choose to tailor the recovery settings to fit the type, scale, and impact of the event.
4. Recovery approaches from these types of events have varied, driven by immediate decision-making that has not been supported by clear options about settings or criteria to work through those choices.
5. I am proposing to develop a suite of tools to support immediate Government decision-making about recovery settings following significant natural hazard events. Attachment A provides a summary of this work and its key components.
6. Being ready with a set of tools to guide decision-making will mean that we will be able to rapidly assess implications and trade-offs to make recovery decisions quickly after an event.
7. There is a significant amount of work across Government – including policies for adaptation, s9(2)(f)(iv) and infrastructure resilience – that will improve New Zealand's natural hazard risk management and, over time, our ability to recover from significant events. As that work progresses and we make policy decisions, it will affect the range of recovery settings available and/or the criteria for making choices about recovery approaches.
8. This paper seeks Cabinet's agreement to the broad scope of the proposed suite of decision-making tools across five key categories of recovery. This

work will not involve recommending preferred options and I am not seeking any new policies or changes to existing policies through this work programme.

9. Subject to Cabinet's agreement, consultation will begin in November 2024 to ensure we have identified the full spectrum of recovery settings that should be considered and to inform the development of the criteria and tools to navigate decision-making. I will report back to Cabinet in May 2025.
10. s9(2)(f)(iv) 
11. As we saw with the flooding in Dunedin in early October, the next natural hazard event can happen at any moment. While the recent flooding did not rise to the level of national significance, we need to have the tools ready for when the next significant event does occur.

Background

12. New Zealand's economy is highly exposed to disasters caused by natural hazards, ranking second globally in expected annual financial losses relative to gross domestic product. This risk has been highlighted by a series of significant events in recent years – most recently by the NIWE.
13. Following significant events, governments have quickly made decisions about the approaches and structures needed to support medium- and long-term recovery¹. Immediate advice about recovery settings has generally been provided by the Department of the Prime Minister and Cabinet (DPMC) in consultation with other agencies.
14. Recovery approaches following significant events have varied. Flexibility to match recovery settings to the nature, scale, and impact of the event – and the local characteristics – will always be important. For example, the Government took a locally led, centrally supported approach for the NIWE recovery, which affected multiple regions in different ways. After the Canterbury Earthquake Sequence in 2010/2011 a government department with significant powers was established in Christchurch to centrally lead and deliver the recovery.

Work to strengthen New Zealand's emergency management system

15. Alongside leading and coordinating central government's NIWE recovery work programme, the Chief Executive Cyclone Recovery (CE-CR) was tasked with developing advice about ways in which the recovery area of the emergency management system could be improved, based on lessons from the NIWE.
16. In February 2024, Cabinet invited me to report back to Cabinet Economic Development Committee by 31 October 2024 with recommendations on future

¹ Recovery means the coordinated efforts and processes to bring about the immediate, medium- and long-term holistic regeneration and enhancement of a community following an emergency (Civil Defence Emergency Management Act 2002).

recovery settings for enhancing New Zealand's emergency management and recovery system [100-24-MIN-008 refers].

s9(2)(f)(iv)

18. Work programmes and policy changes across a range of portfolios will improve New Zealand's natural hazard risk management and, over time, our ability to recover from significant events. For example, s9(2)(f)(iv) the Minister for Climate Change is progressing an Adaptation Framework (in response to the Finance and Expenditure Select Committee report into Climate Change Adaptation); and the Ministers for Infrastructure, Transport, and Resource Management Reform and the Ministers of Local Government and Housing are progressing work programmes to address infrastructure resilience. Work that may affect and support decisions about the range of recovery settings are summarised in Attachment B.

Decision-making tools will help to improve recovery outcomes

19. While there is some existing guidance for recovery activities⁴, given the unique nature, impacts, and specific needs after each significant event, Government often needs to make decisions about how to tailor recovery settings (e.g., leadership and/or coordination, financial support to communities) beyond standard emergency management arrangements.
20. After a significant event, Government can rely on standard recovery settings, adapt from the suite of potential recovery settings, or design bespoke settings.

² *Strengthening Disaster Resilience and Emergency Management Focus Area 4, Action 4.1 (page 22).*

³ *Report of the Government Inquiry into the Response into North Island Severe Weather Events Recommendation 4 (page 23).*

⁴ Arrangements set out in the Civil Defence and Emergency Management (CDEM) Act 2002 and the National CDEM Plan 2015 provide some direction on roles and responsibilities and specify some cost-sharing arrangements (e.g., the CDEM Plan sets out a 60:40 split between central and local government for essential infrastructure repair and recovery).

21. I am proposing to develop a suite of tools to support these immediate decisions. The tools will include decision trees and criteria for Ministers to work through key choices, and will set out the key considerations, trade-offs, and implications.
22. The tools will provide a starting point to guide decision-making while allowing for flexibility to ensure the settings fit the specific situation. They will:
 - 22.1. enable decisions that match the scale, nature and impact of the natural hazard event, and the local characteristics of the affected communities,
 - 22.2. ensure that the implications of decisions are identified early, are well understood, and can be managed effectively,
 - 22.3. enable choices to be considered concurrently to consider overall cost and resource implications, and
 - 22.4. improve the transitions into and out of recovery.
23. The Cyclone Recovery Unit (CRU) will work with relevant policy agencies and the National Emergency Management Agency (NEMA) to develop the tools. The tools will reflect progress on policy work from other portfolios. As further related policy decisions are made over time, the tools will be updated.
24. The development and refinement of settings, tools, and criteria will also be informed by consultation with key stakeholder groups that have been involved in the NIWE and previous recoveries where Government intervened or played a significant role. Consulting with these groups will ensure we understand the practical implications of settings that have previously been used. Taking time to consult now will lead to better outcomes than when engagement is constrained as decisions are made rapidly following an event.

Designed for significant natural hazard events

25. The tools are being designed for natural hazard⁵ events where the impacts are nationally significant, and the recovery is expected to be complex, lengthy, and costly. These are the situations that warrant Government consideration of whether and how to tailor recovery settings outside of business-as-usual emergency management arrangements.
26. Categorising the size, scale and impact of events using consistent terminology with the thresholds used in the Coordinated Incident Management System⁶ and the Civil Defence and Emergency Management National Recovery Operating Model will ensure that these tools align with existing frameworks as appropriate.

⁵ The scope of this work is restricted to meteorological and geological hazards – it is not intended to be applicable to other types of hazards such as biological and human health hazards or malicious threats.

⁶ The Coordinated Incident Management System is the New Zealand government's framework for how incident response is structured and coordinated across government agencies, organisations, and private entities.

Development of specific policies post-event

27. I am not proposing any new policies or changes to existing policies. The focus of developing a suite of tools is to identify realistic options and provide criteria to guide decisions after an event, not to seek pre-emptive policy changes.
28. If after a significant event Ministers decide to intervene outside of standard recovery settings, policy on the specific settings may need to be developed or existing policy refined. Responsibility for policy that underpins the recovery settings will remain with the lead portfolio Minister, advised by the appropriate agency. This will ensure that the policy settings adopted after a specific event reflect recent developments or changes in policy.

The scope of the settings and tools spans five recovery categories

29. Several themes surfaced during my meetings with councils and communities in NIWE-affected regions and other stakeholder engagements, through the CE-CR and the CRU carrying out their coordination and implementation roles, and from reviews of recoveries from previous events.
30. Decisions about when and how Government could depart from the status quo following a significant natural hazard event have been organised into five categories based on the themes that have arisen:
 - 30.1. **Leadership** includes local-central leadership, ministerial decision-making arrangements, and options for central government organisation.
 - 30.2. **Enabling mechanisms** includes legislative and non-legislative options, and determining who pays for which elements of recovery.
 - 30.3. **Infrastructure remediation** includes considerations related to central, local and private infrastructure assets and the delivery of support.
 - 30.4. **Support for property owners** includes options for community and property-level support and whenua Māori considerations.
 - 30.5. **Economies** includes direct and indirect support to businesses to stabilise local and/or national economies.
31. I propose that these recovery categories comprise the scope of the initial suite of tools. These priorities were core elements of the centrally coordinated NIWE recovery⁷ and where there are clear lessons to inform future decision-making.
32. These are areas where recovery settings came together in different ad hoc combinations in the recoveries from the NIWE, Canterbury Earthquake Sequence and the Hurunui/Kaikōura earthquakes. Additional scope could be added in the future to address social (or other) recovery settings if required.

⁷ While NEMA is typically responsible for welfare coordination in recovery, following Cyclone Gabrielle the Minister for Emergency Management and Minister for Social Development and Employment agreed that the Ministry of Social Development be assigned responsibility for the NIWE social recovery coordination at the national level.

A range of recovery settings within each category

33. Attachment C outlines examples of recovery settings within each category that have been used after significant natural hazard events. They illustrate some of the approaches Government may choose to consider and provide the starting point for decision trees to be developed.
34. Some settings will offer binary choices, while others are complementary and multiple settings could be considered together. The decision trees will step through which decisions are dependent on other decisions and the relationships between various settings.
35. The settings can come together in different combinations to match the impacts and needs of a specific recovery. Attachment D shows how settings came together in the NIWE, Canterbury and Hurunui/Kaikōura recoveries.

Developing and refining recovery settings and criteria

36. I propose that consultation begin in November 2024 and continue through the first quarter of 2025.
37. The CRU will coordinate with relevant policy agencies to reduce the consultation burden on stakeholders during this period and ensure there is seamless messaging on connected work programmes. Officials will use existing channels for engagement wherever possible.
38. Consultation will include a range of councils and iwi that were impacted by the NIWE or other significant natural hazard events. It will also include key local representative bodies, Māori organisations, industry and sector bodies, and Crown entities/Crown-owned companies. Attachment E sets out the consultation approach and provides examples of groups that will be consulted.
39. By consulting now, we can capture relevant input while organisations are compiling their lessons learned and recovery structures are still in place in some NIWE-affected regions.
40. I intend to use this consultation to:
 - 40.1. ensure that the full spectrum of recovery settings that have been used in previous recoveries have been identified and understood, and whether there are other potential settings that should be considered,
 - 40.2. hear from stakeholder groups about their experiences, and to identify what lessons from the NIWE and other recoveries can be used to inform future decisions, and
 - 40.3. gather insights about the key considerations, trade-offs, and practical implications of the settings to inform development of decision-making criteria and tools.
41. Consultation will not be seeking views on preferred options and will make clear that this work will not be seeking policy decisions. Officials will take care through all interactions to reduce the risk of pre-empting future choices and not to set expectations for future recoveries.

42. The information gathered through this consultation process will inform the development of decision-making tools and criteria in early 2025.

Summary of attachments

43. An overview of the proposed work is provided in the attachments to this paper and summarised in Table One.

Table One: Summary of attachments

A	Summary of work and key components	Describes the work to develop a suite of tools to support immediate ministerial decision-making about recovery settings.
B	Recovery-related work programmes	Shows the work underway across a range of portfolios that will influence recovery settings.
C	Potential settings by recovery category	Outlines potential options for when and how Government could consider intervening after a significant natural hazard event.
D	Summary of potential settings	Shows how settings can come together in different combinations.
E	Consultation approach	Describes the purpose of consultation and examples of groups that will be consulted.

Next step

44. I propose to report back to Cabinet by the end of May 2025 with a proposed suite of decision-making tools, including a plan for keeping the tools up to date. This timeframe will enable progress on the major policy work from other portfolios to be included where appropriate.

Consultation

45. The following agencies were consulted in the development of this paper and feedback has been incorporated: the Ministries of Business, Innovation and Employment; Housing and Urban Development; Social Development; and Transport; the Ministries for the Environment; Ethnic Communities; Primary Industries; the Departments of the Prime Minister and Cabinet; Conservation; Internal Affairs; Land Information New Zealand; the National Emergency Management Agency; Te Puni Kōkiri; Te Arawhiti; Crown Law Office; Parliamentary Counsel Office; and the Treasury.

Cost of living implications

46. There are no cost-of-living implications in this paper.

Financial implications

47. There are no financial implications in this paper.

Human rights

48. There are no human rights implications in this paper.

Use of external resources

49. No external resources were used in the development or drafting of this paper.

Proactive release

50. I intend to proactively release this paper and its associated minute within the standard 30 business days from the decision being made by Cabinet.

Recommendations

The Minister for Emergency Management and Recovery recommends the Committee:

1. **note** that having a suite of recovery settings and tools will give Ministers a head-start that will reduce the time and resources needed to make recovery decisions immediately following a significant event;
2. **note** there is work underway across a range of Government portfolios that will improve natural hazard risk management, but there will continue to be a need to make rapid post-event recovery decisions when the impact is nationally significant, and recovery is expected to be complex, lengthy, and costly;
3. **note** that undertaking consultation and developing decision-making tools now will ensure lessons from the NIWE-affected regions are understood while recovery structures are still in place, and will give the Government a head-start when the next significant natural hazard event inevitably occurs;
4. **agree** to the scope of a suite of tools to guide immediate Ministerial decision-making for recovery following significant natural hazard events, across five categories: leadership; enabling mechanisms; infrastructure remediation; support for property owners; and economies;
5. **agree** that the Chief Executive Cyclone Recovery and the Cyclone Recovery Unit begin consultation in November 2024 to inform the development of decision-making tools, drawing on lessons from the North Island Weather Events and recoveries from other significant natural hazard events; and
6. **invite** the Minister for Emergency Management and Recovery to report back to the Cabinet Economic Development Committee by 31 May 2025 with a proposed suite of decision-making tools to support immediate recovery decisions by Government after significant natural hazard events.

Authorised for lodgement

Hon Mark Mitchell

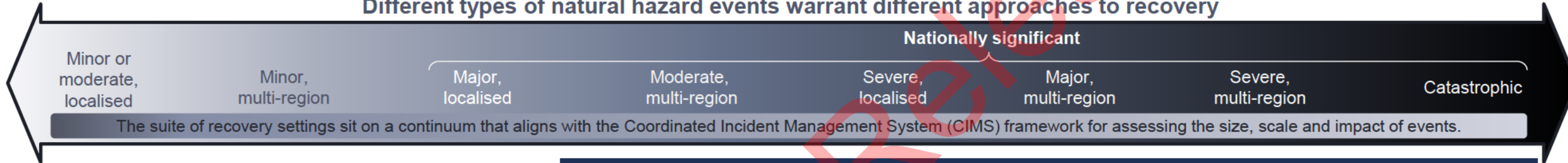
Minister for Emergency Management and Recovery

Date:

Recovering from significant natural hazard events

The Cyclone Recovery Unit is developing a suite of recovery settings and decision-making tools that will support immediate decisions by the Government after significant natural hazard events. Although each event is unique and has specific impacts and recovery needs, having a set of tools as a starting point—that guides decision-making while allowing for the necessary flexibility to tailor recovery settings to different events—will mean that decisions can be made quickly after an event.

Different types of natural hazard events warrant different approaches to recovery



Recovery policy settings

Given the unique nature, scale, impacts, and specific recovery needs of each significant natural hazard event, Government often needs to tailor recovery settings beyond standard emergency management arrangements. After each event, the Government can choose not to intervene, could design bespoke settings, or could implement or adapt the set of options based on the event and Government's priorities.

Ministers, advised by lead policy agencies, will continue to be responsible for the development of policy that underpins the recovery settings in their portfolios.

Decision-making tools

Having tools like decision trees will support the Government to quickly make decisions about which recovery settings are best suited to achieve desired outcomes in the specific situation.

The decision trees will outline potential options available to the Government after a significant natural hazard event, as well as the key considerations (e.g., legislation, value for money, moral hazard) and decision-making criteria. The decision trees will step through which decisions are dependent on other decisions and the relationships between various settings.

The tools will be designed for events where the impacts are nationally significant, and the recovery is expected to be complex, lengthy, and costly.

The categories that the settings and tools will address include:

Recovery categories have been informed by the Minister for Emergency Management and Recovery's meetings with councils and communities and by input from lead agencies that were involved in the North Island Weather Events (NIWE) policy development and existing settings administered by the National Emergency Management Agency (NEMA). These categories are the priorities for the initial suite of tools because they are the areas where significant ad hoc decisions were made and settings came together in different combinations in the recoveries from the NIWE, Canterbury Earthquake Sequence and the Hurunui/Kaikōura earthquakes. Additional scope could be added in the future to address social recovery settings or other aspects of recovery.

Leadership	<p>The degree to which recovery is locally or centrally led – assessing whether elements of recovery policy and delivery should be led locally or centrally, depending on the characteristics of the event.</p> <p>Recovery decision-making arrangements – determining if recovery-related decisions require different temporary arrangements than the status quo and if so, what type of arrangements.</p> <p>Central government organisation and coordination – identifying how central government agencies support and coordinate recovery activities if the status quo arrangements are not sufficient.</p>
Enabling mechanisms	<p>Legislative and non-legislative instruments – considering mechanisms to remove regulatory barriers to speed up recovery activities.</p> <p>Who pays for which elements of recovery – determining if (and if so, what) additional support Government provides and what contributions are required from others.</p>
Infrastructure remediation	<p>Infrastructure continuity – determining which recovery-related infrastructure projects the Government may want to intervene in, to what level, and how to support delivery.</p>
Support for property owners	<p>Approach to severely affected property – determining whether central government provides support to severely affected property owners, and if so, the scope, scale and delivery of that support.</p>
Economies	<p>Business and key sector recovery – determining whether (and if so, what) support is provided to businesses and local economies to recover.</p>

Overview of other work programmes that influence recovery settings

Changes are underway across a range of portfolios that will improve New Zealand’s management of natural hazard risks and our ability to recover from significant events. These changes may also affect the range of recovery settings available and/or the criteria for decision-making. Regardless of the status of this work when the next significant natural hazard event occurs, having a set of recovery settings and tools to navigate immediate recovery decisions will improve New Zealand’s natural hazard risk management.

Portfolio	System-level recovery-related work programmes	Oct – Dec 2024	Jan – Mar 2025	Apr – Jun 2025
Climate Change	Adaptation framework: Includes investment, cost-sharing and decision-making principles to guide proactive actions to reduce risk before a major event, and longer-term recovery decisions for residential properties, services and infrastructure following a major severe event.	• Response to Finance and Expenditure Committee report		s9(2)(f)(iv)
Emergency Management and Recovery	Emergency Management Bill: Addressing issues and gaps across the 4 Rs of emergency management (reduction, readiness, response, and recovery) including those considered through reviews into emergency events. Emergency Management System Improvement Project: Responding to the <i>Inquiry into the Response to the North Island Severe Weather Events</i> that will strengthen national and regional emergency management.	s9(2)(f)(iv)	• Implementation and investment plan	
Infrastructure	National Infrastructure Plan: Establishing a 30-year plan to help guide decision-making by both central and local government and give the infrastructure industry and New Zealanders greater confidence. Critical Infrastructure Resilience programme: Developing options for a set of regulatory features designed to enhance the resilience of New Zealand’s critical infrastructure.			Draft plan provided to Minister • s9(2)(f)(iv)
Local Government	Local government: Including Local Water Done Well, Regional Deals, and improvements to make the local government system more efficient and effective. Progressing regulations to support changes to improve natural hazard disclosure in land information memoranda (LIM).		• Local Water Done Well Bill 3 • Work programme decisions	• LIM regulations approved
RMA Reform	Resource management reform: Includes the fast-track approvals legislation, replacing the Resource Management Act 1991 (RMA) with new legislation, and developing or amending RMA national direction (including natural hazard policy and an integrated national direction package).	s9(2)(f)(iv)	• Fast-track Bill passed	s9(2)(f)(iv)
Other policy and operational recovery-related work programmes				
Agriculture; Forestry	Primary Sector Recovery policy: Reviewing policy—the funding that was originally set aside for adverse events has not kept pace with the frequency or severity of events experienced.			
Emergency Management and Recovery	Enhancing national recovery arrangements: Developing indicators and assessment tools, clarification of agency recovery roles and responsibilities under the existing system, description of agency recovery funding arrangements, and guidance for councils and recovery managers; developing, maintaining and appropriately resourcing recovery function capability. Waste management: Developing a National Waste and Debris Management Plan.			
Housing	Temporary Accommodation Service (TAS): Developing a framework for divestment decisions for the disposal of assets once they are no longer needed by TAS.			
Regional Development	Regional Infrastructure Fund (RIF): Creation of Government and regional assets through a mix of loan, equity and grant investments filling critical gaps in regional infrastructure development.			
Social Development; Housing; Finance	Temporary Accommodation Assistance (TAA): Developing options for an enduring solution to replace the interim TAA Programme.	s9(2)(f)(iv)		

Leadership

Immediately following a significant natural hazard event, Government may choose to consider departing from the status quo regarding how recoveries are led, who makes recovery-related decisions, and how to organise and coordinate recovery activities. Some examples of recovery settings that have been used after significant natural hazard events are set out below.

Government work programmes that may affect the range of settings available and that will, over time, set long-term policies

- Emergency Management Bill: s9(2)(f)(iv)
- Emergency Management System Improvement Project: implementation plan in early 2025
- s9(2)(f)(iv)
- Resource management reform: Fast-track Approvals Bill passed by early 2025, Phase 2 RMA decisions late 2024

The degree to which recovery is locally or centrally led

Without additional Government intervention, councils (through Civil Defence Emergency Management Groups) are responsible for identifying, assessing, and managing hazards and risks. Territorial authorities have responsibility for land-use decisions. Regional authorities are responsible for hazard and flood planning and management. Government is responsible for primary legislation.

Least intensive

Most intensive

Setting	Government leads overarching policy, local authorities lead local policy and delivery	Government leads new recovery policy, local authorities lead delivery	Government leads new recovery policy and delivery
Example	In the NIWE recovery, where possible, decisions were made locally. Statutory responsibilities remained in place, as did responsibility for related decisions. Decisions made by central government were those that required nationwide trade-offs such as injections of taxpayer funding.	Government could more directly steer the way recovery activities are prioritised and delivered, through requirements for receiving funding.	The Canterbury Earthquake Recovery Authority (CERA) centrally led and delivered recovery. Over its five years, CERA had wide powers to relax, suspend or extend laws and regulations.

Decision-making arrangements

Without additional Government intervention, Ministers take proposals on matters within their portfolios to the appropriate standing Cabinet committee. The Minister for Emergency Management and Recovery has the primary responsibility for leading the government recovery from meteorological- and geological-related emergencies (i.e., natural hazard events).

Least intensive

Most intensive

Setting	Appoint special local representation	Identify different lead responsible Minister(s) and portfolio(s)	Establish temporary Cabinet committee	Grant group of Ministers Power to Act
Example	In the NIWE recovery, Parliamentary Private Secretaries were appointed. In the early recovery, regional ministerial leads were appointed for the affected regions. Neither had decision-making authority, but focused on ensuring local voices were heard in the recovery.	In the Canterbury recovery, a dedicated Minister for Canterbury Earthquake Recovery and an Associate Minister for Canterbury Earthquake Recovery were created. In the NIWE recovery, a Minister for Cyclone Recovery was established separate from the ministerial emergency management portfolio.	The Cabinet Extreme Weather Recovery (EWR) Committee, led by a senior minister, coordinated and directed the first several months of NIWE recovery, and helped establish broad policy approaches. EWR was granted Power to Act, a separate but related decision to establishing the committee.	While there is not a recent natural hazard recovery example, in the response to Covid-19, Cabinet authorised the Covid-19 Ministerial Group the Power to Act. Because the power was granted to a group of ministers rather than to a Cabinet committee, they did not need to follow standard committee processes.

Central government organisation and coordination

Without additional Government intervention, various central government agencies are responsible for specific aspects of recovery (e.g., NZ Transport Agency is responsible for transport infrastructure). Depending on the event, NEMA may lead, support or coordinate national recovery activities.

Least intensive

Most intensive

Setting	Direct different agency to coordinate aspect(s) of the recovery	Establish national office to coordinate and support the recovery	Mandate regional recovery structures or governance	Establish an independent entity to inform decision making	Establish central body to lead and coordinate	Establish central body to lead and to deliver
Example	Responsible Ministers agreed that the Ministry of Social Development be assigned responsibility to lead the NIWE social recovery coordination.	After the Hurunui/ Kaikoura earthquakes, Government used existing provisions in the Civil Defence Emergency Management Act 2002 to establish a National Recovery Manager and Office in the Ministry of Civil Defence and Emergency Management.	After the Westport flooding in 2021/2022, an independently chaired steering group (including representation from district and regional councils, iwi, and government agencies) was established to oversee co-funded flood resilience works.	Government established a Recovery Community Forum – made up of mainly non-elected people – to provide the Minister with information and advice in the Canterbury recovery.	In the NIWE recovery, a Chief Executive Cyclone Recovery (CE-CR) was established for two years under the Public Service Act 2020 to lead and coordinate the Government's recovery work programme. The CE-CR is supported by a unit hosted within the Department of the Prime Minister and Cabinet.	CERA was established using bespoke legislation as a government department with significant powers to centrally lead and deliver recovery.

Enabling mechanisms

Immediately following a significant natural hazard event, Government may choose to consider adopting mechanisms to remove or reduce regulatory barriers in order to speed up recovery activities. Government may also choose to consider providing additional support beyond standard emergency management settings. Some examples of recovery settings that have been used after significant natural hazard events are set out below.

Government work programmes that may affect the range of settings available and that will, over time, set long-term policies

- Adaptation framework: s9(2)(f)(iv)
- Emergency Management Bill: s9(2)(f)(iv)
- s9(2)(f)(iv)
- National Infrastructure Plan: draft plan to Minister for Infrastructure by June 2025
- Resource management reform: Fast-track Approvals Bill passed by early 2025, Phase 2 RMA decisions late 2024

Legislative and non-legislative instruments to remove regulatory barriers

Without additional Government intervention, recoveries from natural hazard events operate within the existing regulatory system. The Government could consider introducing enduring recovery legislation that would trigger powers to be available when required.

Least intensive

Most intensive

Setting	Technical support	Memorandums of Understanding (MOUs) or Approved Information Sharing Agreements	Non-legislative mechanisms to enable faster decision making	Bespoke legislation to remove regulatory barriers	Bespoke legislation to enable Orders in Council to amend primary legislation	Bespoke legislation to give broad powers to Government	Bespoke legislation to appoint a commissioner with special powers
Example	In the NIWE recovery, the Government sent secondees to Gisborne District Council to help with consenting and compliance. The Government provided funding to support build-up of local capacity and capability and then additional funding for technical support to speed up the recovery.	After the Canterbury Earthquake Sequence, an information sharing code was adopted for use in emergencies in the medium-term.	While there is not a recent natural hazard recovery example, the COVID-19 Chief Executives' Board and Border Executives Board were established to make fast collective decisions during the response.	In the NIWE recovery, amendments were made to multiple Acts (e.g., to allow local government to meet remotely, to amend consultation requirements in the Local Government Act 2002).	The details and scope of the legislation varied, but Acts were passed to enable Orders in Council after the NIWE, Canterbury Earthquake Sequence, and Hurunui/Kaikōura earthquakes.	Multiple Acts were passed in the Canterbury recovery that gave greater powers to Government (e.g., to amend or revoke Resource Management Act 1991 documents and district plans, demolition of buildings).	The type of devolved decision-making used in the Canterbury recovery could be expanded to include the power to override resource management, conservation and housing processes and decision-making. This would need to be a ministerial role.

Who pays for which elements of recovery

Without additional Government intervention, recovery costs are the responsibility of the asset owners/service providers (i.e., individuals, businesses, councils, government), with some portion potentially covered by insurance and natural hazards cover. Government provides emergency support, including council co-investment schemes (e.g., Civil Defence Emergency Management essential infrastructure repair and recovery 60:40 funding) and support to individuals (e.g., Temporary Accommodation Service).

Least intensive

Most intensive

Setting	Facilitation of private contributions and business investment	Public-private partnerships (PPPs) to share costs	Additional funding for state-owned assets and services	Additional cost-sharing for some council responsibilities	Cost share to stabilise services and employment	Government and council cost-share for property-level support	Full Government funding for support to property owners
Example	The Christchurch Earthquake Appeal was the Government's official, global fundraiser. The appeal raised over \$97 million for the recovery effort.	While there is not a recent natural hazard example, during the 2010s, the PPP model was used for eight projects in New Zealand, comprising two roads of national significance, three prisons and three schools bundles. This model could be used in significant infrastructure builds needed for recovery.	In the NIWE, Canterbury and Hurunui/Kaikōura recoveries, additional funding was provided for state highway remediation.	In the NIWE and Canterbury recoveries, funding arrangements varied by project. In the Hurunui/Kaikōura recovery, some funding supported council regulatory and communications needs.	In the NIWE, Canterbury and Hurunui/Kaikōura recoveries, Government provided some support to councils for waste management. In the Canterbury and Hurunui/Kaikōura recoveries, the Government provided earthquake job loss cover.	In the NIWE recovery, residential buyout costs for eligible properties were shared 50:50 with councils that opted in. Following the 2005 Matatā debris flow, buyouts were split equally between central government, the regional council, and the district council.	In the Canterbury recovery, residential property buyouts were Government funded, with the exception of Port Hills buyouts that were shared equally by Government and the city council.

Infrastructure remediation

Immediately following a significant natural hazard event, Government may choose to intervene to ensure certain infrastructure is remediated quickly and/or to a particular level of resilience. Government may also decide to depart from the status quo regarding how infrastructure projects are delivered in the recovery. Some examples of recovery settings that have been used after significant natural hazard events are set out below.

Government work programmes that may affect the range of settings available and that will, over time, set long-term policies

- Adaptation framework (investment pillar): s9(2)(f)(iv)
- s9(2)(f)(iv)
- National Infrastructure Plan: draft plan to Minister for Infrastructure by June 2025
- Critical Infrastructure Resilience programme: s9(2)(f)(iv)
- Local government: Local Water Done Well Bill 3 introduced in December 2024
- Resource management reform: Fast-track Approvals Bill passed by early 2025, Phase 2 RMA decisions late 2024; s9(2)(f)(iv)

Scope of Government support

Without additional Government intervention, Government repairs its own assets, including state highways, hospitals and schools. Councils are responsible for restoring community services (e.g., stopbanks, local roads and water assets) and private companies are responsible for restoring their own assets (e.g., telecommunications and power assets, private schools and hospitals). According to the Infrastructure Commission¹, as at 2022, the infrastructure ownership split is: government (45 percent), councils (26 percent), commercial or private ownership (29 percent).

Government provides pre-arranged contributions to support the recovery of council assets (e.g., Civil Defence Emergency Management essential infrastructure repair and recovery 60:40 funding) and contributes no additional support to the private sector.

Least intensive Most intensive

Setting	Targeted support for specific projects	Support for certain types of essential infrastructure	Support for a broader range of infrastructure
Example	In the NIWE recovery, Government agreed to support specific local road transport and priority flood mitigation infrastructure identified by the three most severely affected regions. In the Hurunui/Kaikōura recovery, Government funding was provided to restore Kaikōura Harbour.	In the Canterbury and Hurunui/Kaikōura recoveries, Government provided additional assistance towards local road repairs.	In the Canterbury recovery, Government supported (financial and delivery) a range of CBD anchor projects including the convention centre and stadium.

Delivery of Government support

Without additional Government intervention, councils deliver infrastructure projects with limited shared services arrangements. Capability and capacity to recover from natural hazard events is varied across the country. The Government works with councils to understand their capacity and capability and the Minister of Local Government has intervention powers in certain circumstances.

Least intensive Most intensive

Setting	Non-financial incentives for private investment	Government redeployment of resources to priority projects	Tax incentives	Financial support	Government leadership of specific project(s)	Government delivery of alternative private service	Centrally coordinated delivery organisation
Example	While there is not a recent natural hazard recovery example, this type of intervention could involve allowing overseas investment in infrastructure at a different threshold than normally allowed.	In the Canterbury recovery, the military was deployed in Christchurch for almost two years. The substantive role was in engineering tasks and cordon management of the city centre.	While there is not a recent natural hazard recovery example, during Covid-19 the Government reintroduced building depreciation for commercial and industrial buildings, which included seismic costs. This type of intervention could be used to incentivise the infrastructure recovery.	In the NIWE recovery, the Local Government Flood Resilience Co-investment Fund provided support for stopbanks and other capital works with varied amounts of council co-investment. In the Hurunui/Kaikōura recovery, Government provided funding to restore the Kaikōura Harbour.	In the Canterbury recovery, the Canterbury Earthquake Recovery Authority (CERA) delivered projects including the convention centre and stadium. In the Hurunui/Kaikōura recovery, NZ Transport Agency took over management of necessary emergency repairs and re-opened the Inland Road to get essential supplies into Kaikōura.	While there is not a recent natural hazard recovery example, this type of intervention could include providing alternative communications (e.g., deploying satellite internet systems such as Starlink) while the private sector rebuilds phone and internet infrastructure.	Alliance models have been used after recent significant events – Transport Rebuild East Coast Alliance in the NIWE recovery, the Stronger Christchurch Infrastructure Rebuild Team in Canterbury, and the North Canterbury Transport Infrastructure Recovery in Hurunui/Kaikōura. Models varied in the breadth of projects covered, council participation and leadership structures.

¹ [Build or maintain? New Zealand's infrastructure asset value, investment, and depreciation, 1990-2022](#) New Zealand Infrastructure Council (February 2024)

Support for property owners

Immediately following a significant natural hazard event, the Government may choose to consider non-financial and/or direct support to property owners. Should Government decide to intervene, considerations could include the scale and scope of support, and the design and delivery of interventions. Examples of recovery settings that have been used after significant natural hazard events are set out below.

Government work programmes that may affect the range of settings available and that will, over time, set long-term policies

- Adaptation framework: s9(2)(f)(iv)
- s9(2)(f)(iv)
- Resource management reform: Fast-track Approvals Bill passed by early 2025; Phase 2 RMA decisions late 2024; s9(2)(f)(iv)

Scope of Government support

Without additional Government intervention, property owners draw on insurance payments and their own financial resources to remediate damage, mitigate future risk or relocate.

Least intensive

Most intensive

Setting	Non-financial support	Community-level support	Support for residential property-level mitigation	Support for residential relocation	Property-level support for non-residential properties
Example	Government could enable councils to prioritise and reduce time frames for processing building consents where required to repair natural hazard damage.	In the Canterbury recovery, cost-sharing arrangements and delivery through the Stronger Christchurch Infrastructure Rebuild Team (an alliance of central, local and private sector organisations) delivered retaining wall and rockfall solutions.	In the Hurunui/Kaikōura recovery, financial assistance was provided for seven properties (e.g., mitigation, removal of hazard, relocation of buildings within property boundaries).	In the Canterbury recovery, the Government red zoned and bought out residential properties affected by the earthquakes. This included negotiating buyouts and dispute resolution.	In the Canterbury recovery, the Government bought out red zoned commercial properties. This included re-zoning, negotiating buyouts and dispute resolution. In the Hurunui/Kaikōura recovery, two of the three properties that were bought out were small commercial operations (a café and motel).
<p>The Adaptation Framework aims to provide clarity on how New Zealand manages and shares the costs of adapting to climate change, which includes considering options for investing in risk mitigation and/or relocation. Decisions on the framework will inform the scope, scale and delivery of any Government intervention. The framework is not looking at non-residential (e.g., community halls) or commercial assets, but is considering whenua Māori and cultural infrastructure remediation.</p>					

Delivery of Government support

Without additional Government intervention, it is up to councils to decide how to deliver support.

Least intensive

Most intensive

Setting	Shared central-local responsibility for oversight of support	Government sets high-level framework; locally led assessment and implementation	Government directs policy settings; locally led implementation	Government-led policy setting, risk assessment and implementation
Example	In the Hurunui/Kaikōura recovery, an MOU was signed between the Council and the Government, and a joint recovery steering group was established to administer the provision of financial support to property owners for risk mitigation and buyouts.	In the NIWE recovery, councils that adopted the FOSAL approach led property categorisation in line with the Government framework and were responsible for the design and implementation of categorisation and buyout policies. In the recovery from the 2005 Matatā debris flow, the district council led the categorisation process and buyouts.	Government could develop a more detailed policy framework for assessing and categorising risk and for any resulting interventions. Local authorities would be responsible for implementation within the requirements set out by Government.	In the Canterbury recovery, property categorisation was led by the Government with the creation of red zones. The Government (through the Canterbury Earthquake Recovery Authority) developed policy and negotiated buyouts with property owners.

Economies

Immediately following a significant natural hazard event, Government may choose to support businesses to stabilise local and/or national economies. Government may choose to implement or develop mechanisms that change or create incentives. Some examples of recovery settings that have been used after significant natural hazard events are set out below.

Government work programmes that may affect the range of settings available and that will, over time, set long-term policies

- Primary Sector Recovery policy: under review
- Waste management: National Waste and Debris Management Plan: under development

Scope of Government support

Without additional Government intervention, businesses rely on payments from insurance and their balance sheets to manage uninsured losses or drops in revenue.

Least intensive Most intensive

Setting	Non-financial support	Targeted support to key businesses	Targeted support to a sector	Broad financial support to businesses to maintain pre-event employment
Example	In the NIWE, Canterbury and Hurunui/Kaikōura recoveries, the Government made changes to migration settings to meet labour demands and provided discretionary tax relief.	In the NIWE recovery, the Government provided loans from the Regional Strategic Partnership Fund to restore stability to three regionally significant businesses in Tairāwhiti (all substantial local employers in the primary sector). In the Canterbury recovery, the Government agreed to a backup financial support package to give AMI policyholders certainty.	In the NIWE recovery, Government provided loan guarantees and grants to farmers to help with initial recovery (e.g., repairs to water infrastructure and fencing). The Primary Producer Finance Scheme focused on severely impacted land-based primary producer businesses.	In the NIWE recovery, the interim business support package met the immediate cash-flow needs of impacted businesses. In the Canterbury and Hurunui/Kaikōura recoveries, Government provided subsidies to help businesses cover wages.

Mechanisms for support

Without additional Government intervention, businesses operate in the standard regulatory environment when navigating post-event disruptions to trading and/or access to markets. Additional support from lenders (e.g., as happened in the Canterbury recovery) is possible, but not assured.

Least intensive Most intensive

Setting	Adjustments to policies or processes	Government (re)deployment of resources	Support to banks and lenders	Indirect support to businesses	Financial support to businesses
Example	While there is not a recent natural hazard recovery example, procurement policies and processes could be adjusted to incentivise contracting of local businesses to deliver recovery projects, ensuring funding injections support the impacted economy.	While there is not a recent natural hazard recovery example, during the Covid-19 response, funding was available for redeployment of workers. This included forestry workers being redeployed to local roading work or tree removal.	In the NIWE recovery, the Business Loan Guarantee Scheme supported commercial lenders to provide loans to highly impacted businesses across all sectors with more favourable terms (e.g., with reduced interest rates).	In the NIWE recovery, Government provided funding for disposal of sediment and debris to support recovery for farmers and growers. In the Canterbury recovery, the Christchurch Market Connections Fund supported international visits to help reassure international clients that the region was open for business.	In the NIWE recovery, Government provided business support grants to non-primary producing businesses that needed immediate cashflow support to assist with recovery.

Summary of recovery settings used after significant natural hazard events

This summary uses recent significant natural hazard event recoveries to demonstrate how settings can come together in different combinations to match the impacts and needs of a specific natural hazard event recovery.



RECOVERY SETTINGS AFTER RECENT EVENTS



		RECOVERY SETTINGS AFTER RECENT EVENTS						
		Least intensive			Most intensive			
Leadership	The degree to which recovery is locally or centrally led		Government leads overarching policy, local authorities lead local policy and delivery		Government leads new recovery policy, local authorities lead delivery			Government leads new recovery policy and delivery
	Decision-making arrangements		Appoint special local representation	Identify different lead responsible Minister(s) and portfolio(s)	Establish temporary Cabinet committee			Grant group of Ministers Power to Act
	Central government organisation and coordination	Direct different agency to coordinate aspect(s) of the recovery	Establish national office to coordinate and support the recovery	Mandate regional recovery structures or governance	Establish an independent entity to inform decision making	Establish central body to lead and coordinate	Establish central body to lead and to deliver	
Enabling mechanisms	Legislative and non-legislative instruments	Technical support	MOUs or Approved Information Sharing Agreements	Non-legislative mechanisms to enable faster decision making	Bespoke legislation to remove regulatory barriers	Bespoke legislation to enable Orders in Council to amend primary legislation	Bespoke legislation to give broad powers to Government	Bespoke legislation to appoint a commissioner with special powers
	Who pays for which elements of recovery	Facilitation of private contributions and business reinvestment	Public-private partnerships to share costs	Additional funding for state-owned assets and services	Additional cost sharing for some council responsibilities	Cost share to stabilise services and employment	Government and council cost-share for property-level support	Full Government funding for support to property owners
Infrastructure remediation	Scope of central government support		Targeted support for specific projects		Support for certain types of essential infrastructure		Support for broader range of infrastructure	
	Delivery of support	Non-financial incentives for private investment	Government redeployment of resources to priority projects	Tax incentives	Financial support	Government leadership of specific project(s)	Government delivery of alternative private service	Centrally coordinated delivery organisation
Support for property owners	Scope of central government support	Non-financial support		Community-level support	Support for residential property-level mitigation	Support for residential relocation	Property-level support for non-residential properties	
	Delivery of support		Shared central-local responsibility for oversight of support	Government sets high-level framework; locally led assessment and implementation	Government directs policy settings; locally led implementation	Government led policy setting, risk assessment and implementation		
Economies	Scope of central government support	Non-financial support	Targeted support to key businesses	Targeted support to a sector	Broad financial support to businesses to maintain pre-event employment			
	Mechanisms for support	Adjustments to policies or processes	Government (re)deployment of resources	Support to banks and lenders	Indirect support to businesses	Financial support to businesses		

Consultation to inform development of decision-making tools to support the Government after significant natural hazard events

Consultation will begin in November 2024 to:

- ensure that the full spectrum of recovery settings that have been used in previous recoveries have been identified and understood, and whether there are other potential settings that should be considered,
- hear from stakeholder groups about their experiences, and to identify what lessons from the NIWE and other recoveries can be used to inform future decisions, and
- gather insights about the key considerations, trade-offs, and practical implications of the settings.

Who will be consulted

The Cyclone Recovery Unit will consult with a range of councils and iwi that were either impacted by the NIWE or other significant natural hazard events.

In coordination with relevant policy agencies, targeted consultation will also involve key stakeholder groups, including:

- local representative bodies and regional coordinators (e.g., Local Government New Zealand, Regional Public Service Commissioners),
- Māori organisations (e.g., National Iwi Chairs Forum, Federation of Māori Authorities),
- industry and sector bodies (e.g., BusinessNZ, New Zealand Banking Association, Economic Development New Zealand, Federated Farmers, Horticulture New Zealand, Insurance Council of New Zealand), and
- Crown entities/Crown-owned companies (e.g., Natural Hazards Commission, New Zealand Transport Agency, Crown Infrastructure Partners/National Infrastructure Agency, Rau Paenga, Tourism New Zealand).

Our consultation approach

Consultation with these stakeholder groups will leverage their knowledge and experiences to inform the creation of decision-making tools that are useful after significant natural hazard events.

Recovery settings came together in different ad hoc combinations in the recoveries from the NIWE, Canterbury Earthquake Sequence and the Hurunui/Kaikōura earthquakes. Understanding how those decisions played out will ensure the decision-making tools reflect trade-offs and practical implications. While tailored approaches are sometimes appropriate, if they are guided by practical decision-making tools, this will lead to better outcomes than when engagement is constrained as decisions are made rapidly following a significant event.

Timetable

2024				2025			
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<p>Consultation on policy settings to inform development of decision-making tools and criteria.</p> <p>Policy decisions being led out of other portfolios may influence tools and will affect the range of recovery settings available and/or the criteria for decision-making about recovery post-event.</p>				<p>Agency and ministerial consultation on final suite of decision-making tools.</p>		<p>Cabinet considers decision-making tools.</p>	<p>CRU disestablished and decision-making tools transferred to responsible agency.</p>



Cabinet

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.

Report of the Cabinet Economic Policy Committee: Period Ended 25 October 2024

On 29 October 2024, Cabinet made the following decisions on the work of the Cabinet Economic Policy Committee for the period ended 25 October 2024:

Out of scope



ECO-24-MIN-0237

Recovering from Significant Events: Decision-making Tools

CONFIRMED

Portfolio: Emergency Management and Recovery

Out of scope



Out of scope



Rachel Hayward
Secretary of the Cabinet

Proactively Released



Cabinet Economic Policy Committee

Minute of Decision

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Recovering from Significant Events: Decision-making Tools

Portfolio **Emergency Management and Recovery**

On 23 October 2024, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that having a suite of recovery settings and tools will give Ministers a head-start that will reduce the time and resources needed to make recovery decisions immediately following a significant event;
- 2 **noted** that there is work underway across a range of Ministerial portfolios that will improve natural hazard risk management, but there will continue to be a need to make rapid post-event recovery decisions when the impact is nationally significant, and recovery is expected to be complex, lengthy, and costly;
- 3 **noted** that undertaking consultation and developing decision-making tools now will ensure lessons from the North Island Weather Events (NIWE)-affected regions are understood while recovery structures are still in place, and will give the Government a head-start when the next significant natural hazard event inevitably occurs;
- 4 **agreed** to the scope of a suite of tools to guide immediate Ministerial decision-making for recovery following significant natural hazard events, across five categories: leadership; enabling mechanisms; infrastructure remediation; support for property owners; and economies;
- 5 **agreed** that consultation begin in November 2024 to inform the development of decision-making tools, drawing on lessons from the NIWE and recoveries from other significant natural hazard events;
- 6 **invited** the Minister for Emergency Management and Recovery to report back to ECO by 31 May 2025 with a proposed suite of decision-making tools to support immediate recovery decisions by the Government after significant natural hazard events.

Rachel Clarke
Committee Secretary

Present: (see over)

Present:

Hon David Seymour
Hon Nicola Willis (Chair)
Hon Chris Bishop
Hon Brooke van Velden
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Mark Mitchell
Hon Tama Potaka
Hon Matt Doocoy
Hon Simon Watts
Hon Melissa Lee
Hon Penny Simmonds
Hon Chris Penk
Hon Nicola Grigg
Hon Andrew Bayly
Hon Andrew Hoggard
Hon Mark Patterson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Chris Bishop
Officials Committee for ECO

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