Department of the Prime Minister and Cabinet

Proactive Release of Government Response to Ministerial Review: Better Responses to Natural Disasters and Other Emergencies in New Zealand
August 2018

The document below is one of a suite of documents released by the Department of the Prime Minister and Cabinet (DPMC) to the Government's response to the Technical Advisory Group's report Better Responses to Natural Disasters and Other Emergencies

Some parts of this document 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 sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Date: 30 August 2018

Title: Proposed Government response to the Technical Advisory Group's report Better Responses to Natural Disaster and Other Emergencies (to Cabinet Economic Development Committee (DEV)).

Information withheld with relevant section(s) of the Act:

s 9(2)(f)(iv) – confidential advice under active consideration
s 9(2)(g)(i) – free and frank expression of opinions

Office of the Minister of Civil Defence
Chair, Cabinet Economic Development Committee

Proposed Government Response to the Technical Advisory Group's report *Better Responses to Natural Disasters and Other Emergencies*

Proposal

1. I propose that the Government respond to the Technical Advisory Group's (TAG) report *Better Responses to Natural Disasters and Other Emergencies* as set out in the document attached at Appendix 1. I propose that the Government's response is publicly released on 30 August 2018, at the South Island civil defence emergency management (CDEM) conference.

2. The Government's response sets a direction with actions to improve New Zealand's emergency response system. Substantial policy work and some investment will be needed to implement these actions.

3. s9(2)(f)(iv), s9(2)(g)(i)

Executive Summary

Effective emergency management supports New Zealand's wellbeing

4. Protecting and enhancing New Zealand's social, economic, cultural, and environmental wellbeing is a key focus of our Government. Emergencies affect all New Zealanders. They have an enormous impact on our people, our economy, and our environment. The 2011 Christchurch earthquake resulted in 185 deaths and 7171 injuries. It caused approximately $40 billion in property and infrastructure damage. It also led to a rise in negative social and health impacts e.g. reported incidences of family violence, sexual violence, and child abuse rose as did attempted/threatened suicide call outs.

The government plays a key role in reducing the occurrence and impact of disasters

5. New Zealand is vulnerable to geological and weather events and other hazards, such as, biosecurity outbreaks, pandemics, cyber incidents, infrastructure failure, and food safety incidents. It is important that we have an emergency management system that is well placed to reduce the risk of disasters occurring, is ready and able to respond when an emergency occurs, and is able to support rapid and effective recovery. Strong and effective emergency management capabilities are part of a government's fundamental responsibility to protect the community.

6. Effective emergency management requires an integrated approach across the 4Rs of risk reduction, readiness, response, and recovery. This paper is primarily about responding to emergencies and readiness to do so, as this was the focus of the TAG's Terms of Reference. However, the TAG's recommendations around a new national emergency management agency to replace MCDEM reflect the need for strong leadership across all 4Rs.

A recent review found problems with our emergency response system that we need to address to protect the wellbeing of our people, economy, and environment

7. Concerns about how our emergency response system operated in a number of recent events (e.g. Port Hills fires, Kaikōura earthquake) led to a Ministerial review in 2017. The TAG, led by Hon. Roger Sowry, found that although the system has worked there are a number of issues that need to be addressed if we are to have confidence that the system will continue to be effective when we need it. The review found:

- *Issue*: lack of clarity about who is responsible for what, leading to duplication of effort, gaps in the response, and poor/slow decision-making.

   Solution: amend up the Civil Defence Emergency Management (CDEM) Act to clarify functions, responsibilities, and authority.

- *Issue*: inexperienced people (in some cases) leading responses resulting in poor decision making, agencies and other groups being excluded, confusion, and siloed working.

   Solution: build the capability of those working in emergency response. Invest in Fly-in Teams that can rapidly respond to emergencies as a cheap and effective way to support CDEM Groups[1] to manage emergencies, irrespective of where they occur.

- *Issue:* inadequate information meaning that emergency managers and the public do not always have the information they need to make timely, good decisions that protect people and their property.

   Solution: improve the information and intelligence system that supports decision making including investing in work to synthesise information into a Common Operating Picture to inform decision-making.

- *Issue*: inconsistent approaches to emergency management planning and delivery across the country, within regions, and between central government agencies, which affects interoperability, making it harder to support one another, and for information to flow around the system.

   Solution: a more directive, and proactive leadership approach from our national emergency management agency, alongside strengthened stewardship of the system.

- *Issue*: inadequate (in some cases) engagement with communities, which leads to a slow response, gaps in the response, and loss of trust and confidence in the system.

   Solution: put the safety and wellbeing of people at the heart of the emergency response system. In particular, improve how we communicate with the public about what is happening, what authorities are doing and what they need to do; and more fully involve iwi before, during, and after an event.

These findings are not new

8. Several of the TAG's recommendations have been made in the past. Good progress has been made to implement many of the changes recommended in previous reviews, however, a number of important elements remain unaddressed for a number of reasons. In particular, the review after the 2011 Christchurch earthquake recommended the establishment of Fly-in Team teams, and that responsibility for response should sit with the regionally-based CDEM Groups not individual local authorities. The review of the Port Hills fires commented on the difficulty of getting good information from a range of sources to those co-ordinating the response and made recommendations to improve this.

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[1] Most of our readiness for, and response to, emergencies happens at the local level. Under the CDEM Act, the local authorities (unitary, regional, district and city councils) in each region are required to form Civil Defence Emergency Management (CDEM) Groups to provide for and coordinate emergency management in the region.

9. If we do not take this opportunity to address these issues this time, we risk that a future review will make the same recommendations, and worse, that our people, economy, and environment will be more adversely affected than might otherwise be the case.

We can tidy up and clarify the current system but I believe that we need to invest to transform it

10. Making the changes recommended by the TAG requires investment. s9(2)(g)(i)

    We have choices in our approach and the level of investment we make. We can 'tidy up and clarify' the current system or we can 'transform the system'.

11. The former involves making the current system work better by clarifying roles and responsibilities, fixing legislative ambiguities, and improving the overall way the system operates. This work, which has a particular focus on the CDEM Act and how it operates at local government level, will not fundamentally change the system or the way we respond to emergencies but it will improve things.

12. 'System transformation' goes further. These initiatives will deliver significant system changes and will get us closer to the response system I believe we need. These include establishing a new national emergency management agency to have a greater focus on setting and enforcing standards and undertaking system assurance; professionalising the emergency management workforce; establishing Fly-in Teams; and developing a whole-of-system Common Operating Picture. These initiatives need investment by both central and local government and will take time to deliver. However, they are essential and contribute strongly to the wellbeing focus of Budget 2019.

13. I propose that we invest in Fly-in Teams now. s9(2)(f)(iv), s9(2)(g)(i)

    I believe there are compelling reasons why we should fund Fly-in Teams now. First, it is prudent that we have considered all the TAG's recommendations as a package before making a decision. This advice confirms the need for Fly-in Teams. Second, our risk situation is changing and the need for Fly-in Teams is growing. We have seen a rise in the number and of severity of emergency events in recent times and this trend is projected to continue (refer paragraphs 21-25).

Investing now will save money in the long term and better protect our people

14. Preparedness for emergency response reduces costs to communities and the Crown if an emergency occurs. Effective emergency response can mean the difference between life and death. It reduces immediate losses caused by disasters and minimises the long-term social, economic, and environmental damage they cause. Risk reduction activities aim to stop an outbreak happening, however, if one does occur our response system must swing in to gear to minimise its impact and reduce economic and social costs. Effective response also supports recovery and reduces human suffering and financial losses by providing for rapid return to normal community functions.

Next steps

15. Once Cabinet has considered these proposals, I want to discuss them with the cross-party reference group that I established for this Ministerial review. The previous Government also discussed the review with a cross-party group.

16. I seek Cabinet's agreement to release the Government's response to the TAG's report on 30 August 2018, at the South Island CDEM conference. I propose that Cabinet

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s9(2)(g)(i)

enables me to make editorial and non-substantive changes to the Government response prior to its release.

## Concerns about our emergency response system led to a Ministerial Review in 2017

17. In April 2017, the then Minister of Civil Defence initiated a Ministerial review into New Zealand's system for responding to natural disasters and other emergencies. The review was triggered by concerns from Ministers, Members of Parliament and the public about how the emergency response system functioned in the November 2016 Kaikōura earthquake and February 2017 Port Hills fires.

18. Former MP Hon. Roger Sowry chaired the TAG, which reported to me on 17 November 2017. Following discussion with Cabinet [CBC-17-MIN-0058 refers], I released the TAG Report and the submissions made to it on 18 January 2018. The Government now needs to publicly respond to the TAG's report.

Emergency management is about 4Rs but the TAG's focus is on two of them – readiness and response

19. Emergency management is wider than 'civil defence' and natural hazards. The term 'emergency management' describes how we organise and manage the people, plans, infrastructure, and assets needed to reduce and manage the consequences of <u>all</u> hazards and risks (e.g. pandemic, pests and diseases, cyber incidents, natural hazards, infrastructure failure, food safety incidents).

20. Effective emergency management requires an integrated approach across the 4Rs of risk reduction, readiness, response, and recovery. It includes a 'formal' government-led system and more informal activities that communities lead themselves. In line with its Terms of Reference, the TAG focused on response (and readiness to respond) within the formal emergency response system, and so this paper focuses on that. However, the TAG's recommendations that relate to a new national emergency management agency reflect the need for strong leadership across all 4Rs.

The changing environment is putting pressure on our emergency management system

21. In recent years, significant local and global events have changed how we think about emergency management. The Christchurch earthquakes are still fresh in our minds as a nation and Christchurch is still recovering from its impacts. Globally, we have seen the impact of tsunamis, pandemics, cyber-attacks, armed conflict, and other hazards cause serious harm to other countries' people, environments, and economies.

22. A changing climate in New Zealand is increasing the frequency and severity of natural hazard events, particularly weather, droughts, and wildfires. This is projected to continue. We are bearing the brunt of more and more ex-tropical cyclones (e.g. Fehi, Gita, Debbie, Cook) and we are seeing these outside the recognised 'cyclone season' (which means the season is getting longer).

23. In the first six-months of 2018, we have already experienced nine significant weather events, including two ex-tropical cyclones, severe weather events in Coromandel, Auckland (which led to a significant power outage), Ruapehu, and Taranaki and two significant flood events in Rotorua and Tairawhiti. We will likely see more before the year is out. This is compared to nine in 2017, and five the year before that. The graph below shows the number of declared states of emergency between 2002 and 2018. It shows an increasing trend and also that declared emergencies are primarily local requiring a local response. There are also many emergency events that don't involve a declaration.

Declared State of Emergency
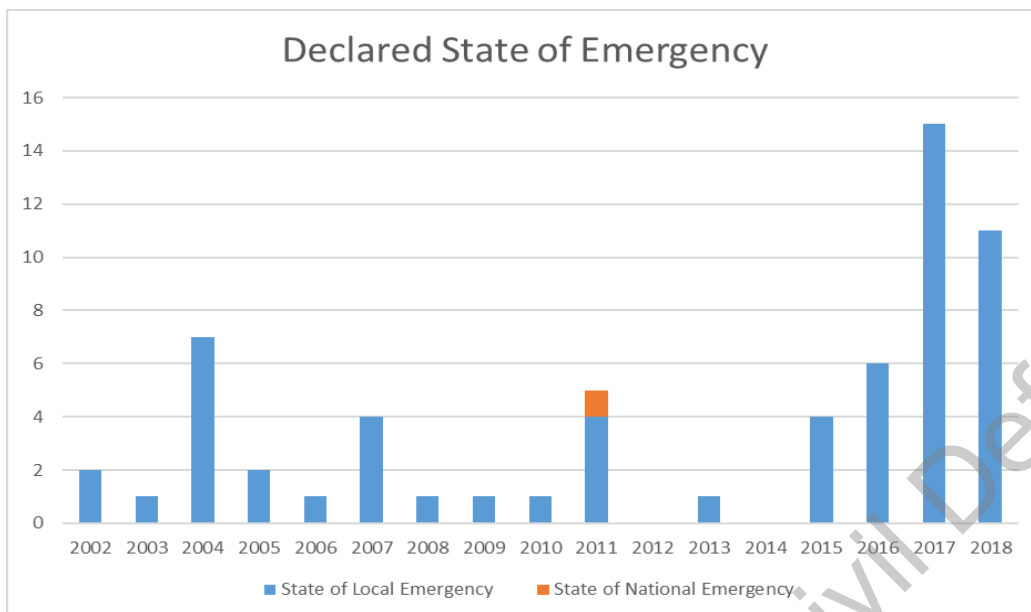
24. A warming climate may also increase the likelihood of new pests and diseases becoming established in New Zealand, which could have significant impacts on our health and well-being, our economy, and our environment. We are already seeing signs of this.

25. Our risk-scape is changing. These events often put our response system to the test. Our response system must change with it to ensure it works when we need it to.

Emergencies can affect all New Zealanders - they have an enormous impact on people and communities, the economy, and the environment

26. In New Zealand, natural disasters and other emergencies have incurred/could incur significant tangible costs. For example:

   - The Canterbury earthquakes in 2010 and 2011 have been our most costly events to date, with 185 deaths and 7171 injured people, alongside approximately $40 billion in property and infrastructure damage.

   - Conservative estimates put the loss in tourism spend at $21 million for the Kaikōura District for the seven weeks after the 2016 earthquake.[3]

   - Ministry of Health modelling[4] of a severe pandemic wave in which 40 percent of the New Zealand population becomes ill over an eight-week period assumes about 38,000 deaths.

   - The Ministry for Primary Industries estimates that a large outbreak of Foot and Mouth Disease would cause serious production losses and have major impacts on our export trade in animal products like meat and milk, and could cost New Zealand $16 billion.

27. Beyond the known economic costs, it is well recognised that significant incidents and emergencies have high and wide-ranging social, cultural, and environmental impacts that often persist for years after the event. The costs of managing these impacts are often transferred to New Zealand's public health, social service, police, and justice systems, as well as local communities. For example:

   - Several studies[5] have shown that in the two-year period following disastrous events, family violence increases, and incidents are more severe and frequent.

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[3] Economic impact of the 2016 Kaikoura earthquake: A report prepared for the Ministry of Transport (2017)

[4] New Zealand Influenza Pandemic Plan: A framework for action (2017)

[5] Houghton 2010/Campbell and Jones 2015

We saw this after the 2005 Whakatane Floods when demand for women's refuge services in the region trebled, and after the Canterbury earthquakes, which have led to increased reports of family violence, sexual violence and child abuse.

- A new Canterbury police intelligence report shows attempted/threatened suicide call-outs increased 64 percent between 2013 and 2017 (from 2311 to 3809). Many commentators put this rise down to the trauma of the earthquakes and the stress of the related issues such as on-going insurance battles, or living in compromised housing.
- Many farmers affected by the Mycoplasma bovis outbreak are feeling psychological effects, and cite the impact of lost income, culled stock, and uncertainty over the future, as significantly affecting their mental health.

28. We can reduce recovery costs and ongoing impacts through good readiness and response.

The TAG identified a number of vulnerabilities in our emergency response system that put life and property at risk

29. After considering recent emergency events and the views of stakeholders, the TAG identified a number of vulnerabilities in the emergency response system. My discussions with stakeholders confirms them. They are:

- Inconsistent approaches to emergency management planning and delivery across the country, within regions, and between central government agencies, which affects interoperability, making it harder to support one another, and for information to flow across the system.
- Inexperienced people (in some cases) leading responses resulting in poor decision making, agencies and other groups being excluded (e.g. ambulance and iwi), confusion, and siloed working.
- Lack of clarity about who is responsible for what, leading to duplication of effort, gaps in the response, poor/slow decision-making, and agencies working in isolation.
- Inadequate information to inform decision making meaning that emergency managers and the public do not always have the information they need to make timely, good decisions that protect people and their property.
- Inadequate (in some cases) engagement with communities, which leads to a slow response, gaps in the response, and loss of trust and confidence in the system.

30. Collectively, these vulnerabilities put our people, their communities, property, and businesses at risk. They slow down recovery, which leads to longer-term costs to communities and the Crown.

31. While the current system has worked, its vulnerabilities are concerning in the face of our changing risk-scape and particularly if a big emergency were to occur. As a Government, we have been lucky that we have not had to deal with a significant emergency. We must act to ensure that when/if there is, the response system works well.

These findings are not new

32. Several of the TAG's recommendations have been made in the past. Though many of the changes recommended in previous reviews have been implemented, a number of important elements remain unaddressed for several reasons. In particular, the *Review of the Civil Defence Emergency Management Response to the 22 February Christchurch Earthquake* recommended the establishment of Fly-in Teams, and that responsibility for response should sit with the regionally-based CDEM Groups not individual local authorities. The former was not progressed as it needs funding. The latter

was not agreed by the Government of the day which instead asked MCDEM to work with CDEM Groups that needed strengthening. Although this has had some success, legislative change is now needed to clarify and enforce expectations.

33. The review of the Port Hills fires commented on the difficulty of getting good information from a range of sources to those co-ordinating the response. The TAG made a similar observation and recommended investing in the development of a Common Operating Picture and building the capability of those working in the intelligence function to address this issue.

34. If we do not take this opportunity to address these issues this time, we risk that a future review will make the same recommendations, and worse, that our people, economy, and environment will be more adversely affected than they might otherwise be.

We need to move to an emergency response system that <u>works as one</u> to reduce risks to life and facilitate a speedy recovery

35. My vision is that no matter who or where they are, people in New Zealand get a consistent level of support in an emergency. Some communities and individuals are more vulnerable to the negative impacts of a disaster than others. We need to ensure that our system recognises this.

36. Specifically, I want an emergency response system in which:

- Communities know their risks and plan for these, and are enabled to look after themselves when an emergency strikes.

- We have the right number of skilled people who are prepared to respond 24/7, anywhere in New Zealand.

- Roles and responsibilities are clear and understood at all levels so that people and processes work together seamlessly.

- Information flows easily and allows people to make timely and well-informed decisions.

37. If we do this right, we can deliver a number of benefits to New Zealanders. The primary benefits will be an increase in public safety and reduced damage to property. This also means faster and more effective recovery, which will reduce the long-term costs to communities and the Crown and increase public trust and confidence in the system overall. Investing now will reduce costs in the longer term.

We all have a role in the emergency management system

38. This is about all of us as Government. Many of us are also involved in emergency management as portfolio Ministers of emergency management agencies.

39. New Zealand's emergency response system (and associated legal framework) includes managing both what we currently call 'incidents' (or emergencies[6]) and 'CDEM emergencies'. Individual government agencies, local authorities, and emergency services routinely manage responses to incidents/emergencies that are caused by specific hazards (i.e. fire, pests and diseases, hazardous substances). These authorities are known as 'lead agencies'. They do this using specific legislation to contain the hazard or threat and/or minimise its effects, and deal with the consequences. In such

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[6] Several lead agencies' legislation also refer to 'emergencies', including the Biosecurity Act 1993, the Health Act 1956, and the Fire and Emergency New Zealand Act 2017. Agencies use this legislation to manage 'Incidents'. These definitions do not undermine or override the definition of emergency in the CDEM Act, which describes the three criteria necessary to transition from an 'Incident' into a 'CDEM Emergency'. These criteria are: 1) a harmful event has occurred, and 2) it causes loss of life or injury or endangers people and property, and 3) it cannot be dealt with by emergency services or otherwise requires a significant and coordinated response.

situations, CDEM agencies (i.e. MCDEM and the regionally-based CDEM Groups) often play a supporting role.

40.   Most 'incidents' occur frequently, and are small scale with localised impacts (e.g. most fires, road traffic accidents, and localised power outages). Occasionally incidents occur on a larger scale with more regionally or nationally significant impacts but are still able to be managed by a lead agency with routine support from other agencies (e.g. significant lifeline utility failure, biosecurity breach, contamination of drinking water).

41.   If the 'incident' cannot be dealt with by emergency services, or requires a significant and co-ordinated response, then it becomes a 'CDEM emergency' (as defined in the CDEM Act)[7]. This is when the CDEM agencies are responsible for co-ordinating the response effort. When this happens, the lead agency for the specific hazard comes under the wider response structure while retaining responsibility for managing the specific incident (e.g. Fire and Emergency New Zealand managing the fire, Ministry for Primary Industries the biosecurity incursion, local government the flooding).

42.   The interaction of the 'incident' and 'CDEM emergency' parts of the system means that they need to be seen as one system in which all entities play a part. This is not always the case. Agencies within this system need to work collaboratively, understand their roles and responsibilities and those of others, use common approaches (e.g. the Co-ordinated Incident Management System (CIMS)), and common infrastructure (e.g. a Common Operating Picture) so that the emergency response system works seamlessly to protect individuals, families and whānau, communities, businesses, and our built and natural environments.

43.   This system is illustrated in the following diagram. Included in the diagram are the key problems identified by the TAG and the proposed solutions.

Figure 1: New Zealand's emergency response system: problems and proposed solutions

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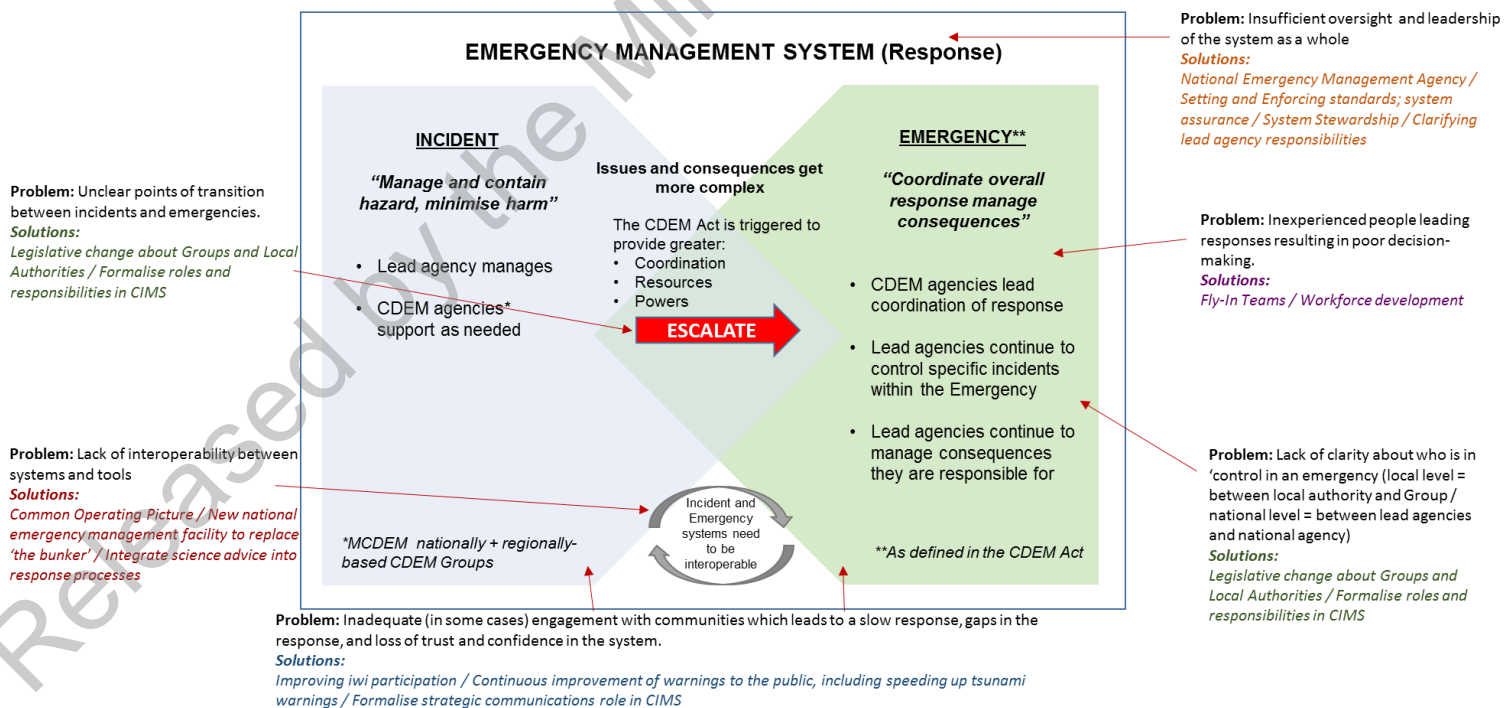
To address the TAG's recommendations I plan to progress work under five themes which are reflected in the Government response

44. Improving how New Zealand responds to natural disasters and other emergencies requires us to make progress across five themes.

Table 1: Five themes to guide the Government's response

Theme	This means better:
Put the safety and wellbeing of people at the heart of the emergency response system	• Public warnings, particularly for tsunami • Public communication in a response • Identification of welfare needs • Participation of iwi/ Māori and marae
Strengthen the national leadership of the emergency management system	• Oversight by a national emergency management agency (currently MCDEM). • Stewardship of the emergency management system • National standards to set minimum service levels and ensure operational consistency
Make it clear who is responsible for what nationally and regionally	• Legislation to set out functions and responsibilities of local authorities • Authority for Controllers to coordinate emergency response • Decision making and communication about when an incident becomes and emergency and who is in control • Planning how agencies will work together and who will do what, when
Build the capability and capacity of the emergency management workforce	• Training and accreditation of Controllers. • Capability of those working in CIMS roles • Ability to assist local response efforts through Fly-in Teams • Volunteer capability and capacity
Improve the information and intelligence system that supports decision making in emergencies	• Synthesis of information into a Common Operating Picture for decision makers • Integration of science advice into emergency responses • National capability through a new or improved national emergency management facility

We can tidy up and clarify the current system but I believe that we need to invest to transform it

45. We need to make progress in each of the themes, as they are interconnected. However, we have choices in our approach and the level of investment we make. We can 'tidy up and clarify' the current system or we can 'transform the system'.

46. The former involves making the current system work better by clarifying roles and responsibilities, fixing legislative ambiguities, and improving the overall way the system operates. This work will not fundamentally change the system or the way we respond to emergencies but it will improve things greatly. While there may be some investment required to progress elements of this work, it falls within the business-as-usual mandates of agencies.

47. 'System transformation' goes further. These initiatives will deliver significant system changes and will get us closer to the response system I believe we need (paragraphs 35-37). These include establishing a new national emergency management agency to have a greater focus on setting and enforcing standards and undertaking system assurance, professionalising the emergency management workforce, establishing Fly-in Teams, and developing a whole-of-system Common Operating Picture. These initiatives require investment by central and local government and will take time to deliver. However, I believe that they are essential if we are to give New Zealanders the emergency response system they need.

48. We cannot deliver everything now, so this work requires a broad ranging, multi-year work programme. Some specific actions that I plan to take in the next 12 months and beyond are set out in the attached Government response.

49. I do not agree with some of the TAG's recommendations. In particular, moving lead agency responsibilities from MCDEM to the Ministry of Social Development (paragraph 68). Other recommendations that I do not agree with, and my rationale for these decisions, are set out in the attached Government response.

'Tidy up and clarify' initiatives

50. This work involves making the current system work better. It is relatively low cost (with the exception of a replacement national emergency management facility). The full list of initiatives is shown in table 1 in Appendix 2. There are three initiatives (shaded in the table) that are not fully funded. I discuss these, along with the issue of lead agencies and our work with communities, in more detail in paragraphs 51-74.

Working with communities

51. I recognise the challenges faced by different communities during and following natural disasters. Our role is to ensure that all New Zealanders get a consistent standard of care in an emergency, no matter who or where they are. We know that some communities and individuals are more vulnerable to negative impacts than others. MCDEM will continue to engage with the disabled and other communities to ensure that their needs are met before, during, and after an emergency.

52. I recognise that iwi bring a great deal of capability in relation to emergency management. I want greater recognition, understanding and integration of iwi/Māori perspectives and tikanga in emergency management. I also want to recognise and support the role of marae who look after people in an emergency (refer paragraph 84).

53. Although there is significant strength and resilience within rural communities the challenges they face are different to those faced by urban communities, due to the dispersed and isolated nature of the rural population. Our emergency response system must accommodate this.

Change the CDEM Act to increase collaboration, consistency and clear lines of authority

54. I agree with many of the TAG's concerns related to a lack of collaboration, consistency, capability, and clear lines of authority, at both the regional and national level. Previous reviews also identified these issues. We need to do a number of things to address them.

55. The CDEM Act allows flexibility and innovation, which has led to pockets of good practice. However, the wide variation in approaches has impacted on the effectiveness of emergency management, and the confidence that can be had in the system overall.

56. Inconsistent operating practice, systems, terminology, roles, or responsibilities across CDEM Groups, makes interoperability and cooperation harder. Within CDEM Groups, approaches are not always collaborative, and in some areas, councils do not buy in to joint planning and implementation activities. There is confusion as to whether there are two or three levels of governance and coordination.

57. Being clear on these matters is important for the smooth operation of emergency response. Key proposals in this area are to:

- Clarify that CDEM Groups lead regional emergency management governance, and their constituent local authorities are bound to carry out the decisions of the Groups.

- Clarify the role of Mayors in declaring states of local emergencies.

- Provide clear control authority for Group Controllers and Local Controllers, in

declared and undeclared emergencies, so it is clear what functions and powers they may exercise, particularly about exercising control over other agencies' personnel or resources (that are made available to them). Also, provide that Controllers, when exercising statutory powers, are not subject to direction by Mayors or council staff.

- Have a clear and communicated decision point for when Controllers 'put on their CDEM hat'. This is when they move from managing an incident for the local authority, to managing an emergency for the CDEM Group.
- Ensure that the national emergency management agency (currently MCDEM) provides clear standards for the emergency management sector, and that these have appropriate statutory backing.

58. These proposals will impact variously on CDEM Groups depending on the extent to which they already take a regional approach to emergency management. Some CDEM Groups are already reasonably well-aligned with what is envisaged, but others will need to make changes to the way they are structured, how they operate, and who emergency management staff report to. Some already operate full shared emergency management services across the region, while others have shared services between a few of the local authorities in the Group. Some Groups undertake most preparedness activities jointly but each territorial authority runs their own response.

59. Larger metropolitan authorities such as Christchurch and Wellington City Councils may want to retain some autonomy over emergency management governance and response from the CDEM Group as they have more capacity to undertake emergency management, on their own. While they may be able do this for a short period, history has shown that all councils require assistance once an emergency reaches a certain size or lasts longer than a few days. My proposal will require CDEM Groups to respond to emergencies working with and on behalf of their member councils. I consider that the overall benefits of regional coordination and clear lines of accountability to the CDEM Group outweigh the loss of local autonomy.

60. It is important that there is capacity for swift local response to emergencies, particularly in areas which might be isolated for a period of time. Local authorities would still have a role in this. My proposal would still provide for CDEM Group emergency management staff, including Local Controllers, to be domiciled with local authorities to integrate their readiness work with council functions and stand up local Emergency Operations Centres with local authority staff.

61. It will be important that the national emergency management agency (whether it is MCDEM or a new agency) is able to support the transition of CDEM Groups to a consistent approach. It will take some time for legislative changes to be made and subsequent regulations would be contingent on there being an established regulatory agency that can develop, implement and enforce the regulations.

62. I propose that the Department of the Prime Minister and Cabinet (DPMC) start work on the legislative change necessary to support the proposals in the Government response. New resource is required for this initiative (refer paragraph 110).

Clarifying lead agency responsibilities

63. I have already mentioned lead agencies in the context of leading responses to incidents (refer paragraphs 39-43). The term 'lead agency' is used in a range of documents and its meaning changes with context and by document. The scope and number of definitions has led to a range of interpretations, making the responsibilities and authority of a lead agency unclear. As the TAG noted, "this situation is confusing, occasionally contradictory, and in an emergency, it is potentially risky".

64. The TAG recommended clarifying and reviewing lead agency descriptions and allocating lead agency responsibilities to appropriate agencies. I support this. Specifically, the TAG recommended "the Ministry for Business, Innovation, and Employment (MBIE) is specified as lead agency with responsibility for infrastructure failure, and that there are calls to be made in relation to lead agency responsibility for transport and water".

65. The definition of lead agency in the Coordinated Incident Management System (CIMS) accurately describes the lead agency role. It states, "A lead agency is the agency with the mandate to manage the response to an incident... The lead agency establishes control to coordinate the response of all agencies involved". Lead agencies exercise this role until the incident/emergency transitions to become a CDEM emergency under the CDEM Act (2002).

66. Lead agencies are determined by the extent to which they have the specialist expertise and experience for particular hazards and threats; have the appropriate regulatory levers, protocols, agreements, and existing relationships with relevant sectors; and promote sectoral risk reduction and readiness as a subset of their broader policy interests.

67. MCDEM currently has lead agency responsibilities for infrastructure failure (which includes transport and water aspects). However, the TAG felt the national agency should not have lead agency responsibilities for hazard-specific incidents. Based on the definition and criteria above, I agree. The next step is to develop further advice around lead agencies. s9(2)(f)(iv), s9(2)(g)(i)

68. The TAG also recommended, "the Ministry for Social Development should be specified as lead agency with responsibility for welfare aspects of a response". I disagree with this recommendation. Current arrangements are the result of a comprehensive review of welfare arrangements following the Canterbury earthquakes in 2010-2011. Under these, the CDEM Group is responsible for ensuring that there is an effective welfare function across its region. This is delivered within a national framework led by MCDEM. This should remain.

Speeding up warnings related to tsunami

69. The aim of early warning systems is to enable individuals and communities at risk from hazards to act quickly to reduce the likelihood of death, injury and damage to property and the environment. In New Zealand, a large number of agencies have monitoring, alerting, and warning responsibilities across a range of natural and manmade hazards, and security threats.

70. s9(2)(f)(iv)

s9(2)(f)(iv), s9(2)(g)(i)

71.

72. MCDEM's good work to improve the consistency of warnings to the public across all hazards will continue. However, I propose that we do not make significant investment in an integrated 24/7 monitoring, alerting and warning approach at this stage, which is what the TAG recommended. Instead, I propose consolidating the monitoring information used by a range of users first. If the consolidated monitoring proves to be of value and greater integration proves valuable, then this decision (and potentially a business case) should be made at that time. The Common Operating Picture business case will identify additional investment needs (refer paragraphs 85-87).

Consider the development of a new national emergency management facility

73. Our existing national emergency management facility in the Beehive's sub-basement is outdated and has physical shortfalls (e.g. it is too small for a large event, it provides a poor working environment). Planned work on a Common Operating Picture and an existing IT infrastructure upgrade project will help improve the IT functionality of the existing facility. However, this will not address the facility's physical issues. Officials have done a preliminary analysis of options around a new facility and I propose that a more detailed business case is done for consideration in Budget 2020.

74. I seek funding of $0.25 million to complete a stage 1 business case, and dependent on this work, may need additional money in Budget 2019 to develop a stage 2 business case. The cost of a new facility will depend on its size (determined by the functions it needs to house), and whether we build new, upgrade the existing facility, or relocate to an existing building. s9(2)(f)(iv), s9(2)(g)(i)

'System transformation' initiatives

75. In addition to the necessary work to tidy up and clarify the system, a few initiatives are critical to transforming how our emergency management system works. A summary of the system transformation initiatives and their indicative costs is included in table 2 in Appendix 2. They are discussed in more detail below. None are fully funded currently.

Establishing Fly-in Teams

76. I agree with the TAG that we need to build the capability and capacity of the emergency management workforce. An essential first step is the development and implementation of Fly-in Teams. These teams would be made up of experienced emergency management professionals from across New Zealand who would be brought together when needed and deployed into an area that is responding to an emergency. They would support CDEM Groups to manage emergencies irrespective of where they occur. They:

- provide support when local staff are directly affected by the emergency themselves, or overwhelmed or exhausted by the scale and/or length of the event

- help to get things set up well when there are difficulties in doing this and identify any critical resources or capabilities that could add value to the response effort

- provide assurance to the public and Ministers about what's going on in a response.

77. The following are recent examples of where Fly-in Teams would have been useful.

- *Fly-in Teams would have been welcome relief after two ex-tropical cyclones hit small South Island communities*

  On 1 February of this year, ex-tropical cyclone Fehi hit New Zealand, causing significant damage throughout the South Island, especially in the Tasman and West Coast regions. Three weeks later, as the clean up was underway, ex-tropical cyclone Gita hit and the West Coast and Tasman regions (as well as in Taranaki, Canterbury) declared states of emergency again. Ex-tropical cyclone Gita resulted in seven states of local emergency being declared. The back-to-back nature of these events, coupled with the limited number of skilled people available in small areas to cope with these types of events, can result in burnt out and exhausted local emergency management staff. Fly-in Teams would have been a welcome relief in this situation. They would have sustained the response effort while local emergency management staff recharged. They would also have connected to wider central government services essential in an emergency response (such as identifying the scale of welfare and emergency accommodation), services that may not otherwise be present in small-town New Zealand. Lastly, Fly-in Team members are less likely to be affected by the event itself and have more of an ability to get on with the job without having to deal with the stress and pressure it may cause if personally affected by the emergency.

- *Fly-in Teams would have helped with issues about who and which agency is in charge when events hit*

  The Port Hills fires of 2017 showed us that it is not always seamless when a number of different agencies and organisations come together to respond to emergencies. This is particularly true when there are ambiguities about roles and responsibilities, and tensions between different agencies. Fly-in Teams would have been useful in such situations through their ability to clarify and foster relationships between agencies. They could also quickly and correctly establish and reaffirm the necessary leadership, systems, and reporting for an effective response without being caught up in the 'noise' of competing interests and personalities.

- *Fly-in Teams would provide assurance to the public and Ministers about what's going on in a response*

  One of the criticisms of the Havelock North Gastro outbreak in 2016 was that local people did not have accurate and timely information to avoid getting sick. In this situation, a Fly-in Team would have been equipped with Public Information Management and Strategic Communications expertise (both of which are key Coordinated Incident Management System functions) alongside public health and other specialists to help manage this issue. Good communications would also provide Ministers with the assurance that the local response was on track and that people's health and safety was being looked after.

78. We need to invest now. s9(2)(f)(iv), s9(2)(g)(i)

   there are five compelling reasons to fund Fly-in Teams now.

1) It is prudent that we have considered all the TAG recommendations as a package before making a decision. This advice confirms the need for Fly-in Teams.

2) Our risk situation is changing and the need for Fly-in Teams is growing. We have seen a rise in the number and of severity of emergency events in recent times and this trend is projected to continue (refer paragraphs 22-25).

3) There is a growing expectation from stakeholders and the public for government to take a more active and visible role in leading the response to emergencies, wherever they occur. Modern communication approaches and social media have increased public expectations for rapid, on-the-ground, factual information.

4) Some regions experience emergencies infrequently and do not have regular training or exercising opportunities. Others cannot afford to invest in more than one or two dedicated response staff and the resources of other agencies in the area are often limited too.

5) The proposals in this paper will address a number of issues raised by the TAG (and reviews before it) but this will take time. Fly-in Teams are a relatively cheap and effective way of addressing immediate issues while we build the capability of the system. They have strong stakeholder support.

79. The cost of Fly-in Teams is approximately $5.2 million over four years to fund four teams (nine people per team) with supplies to support response operations. New resource is required for this initiative (refer paragraph 111).

Professionalising the emergency management workforce

80. Fly-in Teams will provide an immediate solution to more localised issues of staff capability and capacity. However, they will not be enough to build the capacity and capability of the response workforce, which is a mix of trained and/or qualified emergency management professionals, part-time local and central government staff who do this work on top of their day jobs, and volunteers. As such, I propose work to:

- Professionalise and accredit the CDEM Controller[8] position so that only appropriately trained and experienced people can take control of emergency responses at local, regional, and national levels.

- Build knowledge and expertise across the CIMS functions so that all those working in emergency responses have the appropriate, skills, experience, and aptitude to deliver their roles.

- Ensure volunteers working in emergency management have a consistent, high standard of competence where appropriate.

81. There is currently work underway within MCDEM and DPMC to build the foundations required for a professional emergency management workforce. However, this work on its own will not deliver the system transformational impact needed. Fully developing and embedding this approach will require additional funding over time. s9(2)(f)(iv)

If we decide not to invest in our national agency but do decide to lift the capability and capacity of the response workforce, we will need to consider how best to do this.

82. Local government currently pays to train their emergency response staff. I am not proposing to change this as it is in line with the general expectation that employers pay for staff training. We do not know if there will be significant additional costs to local government because of these proposals. As we progress this work with local government we will look at options if there are significant additional costs.

83. Upskilling the emergency management workforce will require time and commitment from all those involved - councils, emergency services, lifeline utilities, government agencies, and other organisations. The transition will need to be carefully managed to ensure that current capacity, both paid and volunteer, is retained.

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[8] Controllers are statutory roles under the CDEM Act 2002 whose function is to coordinate emergency response.
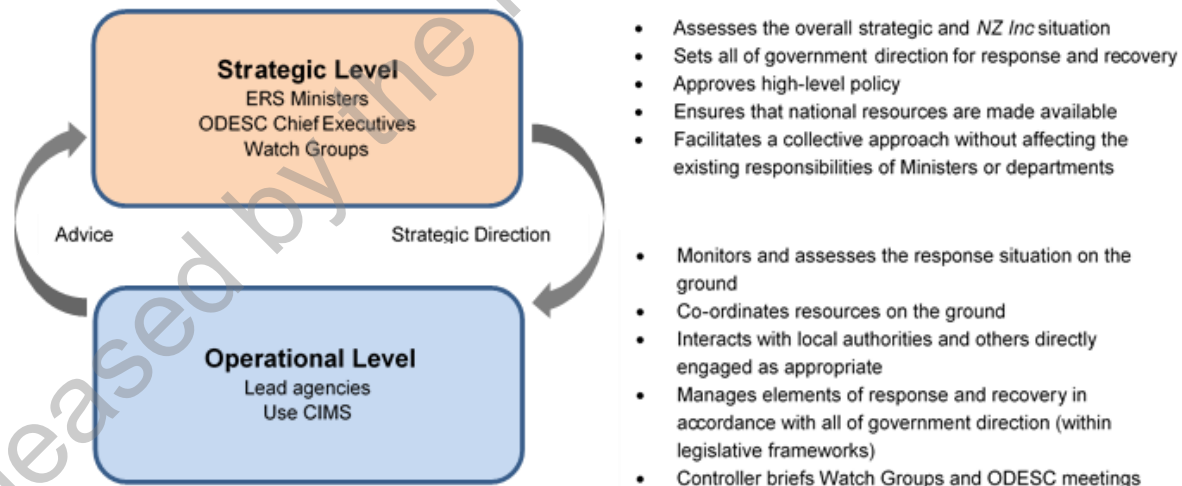
Enabling better engagement with iwi and marae

84. I propose that officials work with CDEM Groups and iwi to facilitate better engagement of iwi and marae in emergency management governance and operational response to support communities before, during and after an emergency. New resource is required for this initiative s9(2)(f)(iv)

Developing a Common Operating Picture

85. When an emergency strikes, people in the community and those managing the response, need to make decisions about what to do. To do this, they need timely, relevant information that is brought together for all to use. Ensuring information is used appropriately requires good processes and people with the capability to do this.

86. To support this, I propose investing in the development of a Common Operating Picture and associated information management capabilities. This is more than just an IT solution. The Common Operating Picture will require shared data and common processes. It will provide a unified view of the situation to decision makers (emergency managers and the public) about what is happening on the ground during a response.

87. There are a number of relevant streams of work already underway across the emergency management system that should be brought together to inform our future investment decisions. Funding of $0.4 million is needed to fast track some of this work and develop a Common Operating Picture business case, which I seek as part of these recommendations. The expected costs to build and roll out a Common Operating Picture will be developed through the business case process. Costs to other agencies will be considered as part of this work. s9(2)(f)(iv)

Establishing a new National Emergency Management Agency

88. There are two levels operating when the emergency management system is responding to a major incident or emergency – strategic and operational. This is illustrated in the diagram below.

Strategic Level
ERS Ministers
ODESC Chief Executives
Watch Groups

Advice — Strategic Direction

Operational Level
Lead agencies
Use CIMS

- Assesses the overall strategic and *NZ Inc* situation
- Sets all of government direction for response and recovery
- Approves high-level policy
- Ensures that national resources are made available
- Facilitates a collective approach without affecting the existing responsibilities of Ministers or departments

- Monitors and assesses the response situation on the ground
- Co-ordinates resources on the ground
- Interacts with local authorities and others directly engaged as appropriate
- Manages elements of response and recovery in accordance with all of government direction (within legislative frameworks)
- Controller briefs Watch Groups and ODESC meetings

89. In a response, the role of the national emergency management agency is lead or support responses. It supports, and is supported by, the strategic level. I agree with the TAG that the national agency (whether it be MCDEM or a new national emergency management agency) must play a greater leadership role within the emergency management system. It should have a strong 'all hazards and risks', operational, '4Rs' focus as recommended by the TAG. It needs to work with others to create an emergency management system that is ready and able to plan for, respond to and support recovery

from emergencies (irrespective of cause) when they occur[9].

90. It would do this by working with others to build the capability and capacity of the system. This would involve activities such as standard setting and monitoring, developing common ways of working, workforce development, leading investments in system-level infrastructure, and providing assurance to the government and the public on the performance of the system. It would also lead (and support) the all-hazards response to national and local emergencies. This latter role would require it to have a strong operations/response function, working alongside other lead agencies and CDEM Groups.

91. s9(2)(f)(iv)

92.

Improving stewardship of the emergency management system

93. For the national agency to fulfil its role, it needs the support and backing of strong system stewardship. I agree with the TAG that we need to strengthen the accountability for stewardship of the emergency management system. I support public sector Chief Executives from across the emergency management system working collaboratively to improve transparency, collective action, and system governance. The Hazard Risk Board (HRB) has a role in managing civil contingencies and hazard risks through appropriate governance, alignment, and prioritisation of investment, policy and activity. As such, I see HRB as the most appropriate governance body to provide stewardship for the system. I propose we support HRB as it fulfils its system stewardship role.

We will need to invest to make the changes needed

94. Many of the initiatives in the 'tidy up and clarify' initiatives can be done within existing funding. However, a number cannot nor can the system transformation initiatives. New funding is required. In prioritising the investment needed I have looked at those initiatives in the tables in Appendix 2 that I judge to have the greatest impact on the outcomes I am seeking. These investments are set out in table 2 on page 18.

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[9] In this work we will need to differentiate national leadership for the purposes of emergency management from the strategic, longer-term interests of national security, which are managed through the National Security System (NSS). The NSS provides assurance that the emergency management response is on track and deals with strategic, long-term issues that arise during a response but should not become involved in operational aspects of readiness or response activities.

s9(2)(f)(iv)

Table 2: Investment needed (indicative subject to further business case work) s9(2)(f)(iv)

Initiative	Impact[12]	Ease	Theme	Group	Now	s9(2)(f)(iv)	Legislation
Fly-in Teams	High	Easy	4	Transform	**$4.486m opex** (18/19-21/22) plus $1.121m in outyears **$0.736m capex**		✓ For the full model but can make progress without
New national emergency management agency: • Standard setting and monitoring • System assurance • Workforce development • Public education • Leading (and supporting) the all-hazards response to emergencies • Leading investments in system-level infrastructure • Developing partnership with iwi, communities, business, CDEM Groups	High	Medium	1, 2, 4	Transform			✓ For NEMA and also for accreditation of controllers
Development and implementation of a Common Operating Picture	High	Hard	5	Transform	**$0.4m** for business case		✗
Iwi and marae participation: • Governance and planning • Operational - Marae	Medium	Medium	1	Transform			Possibly
Change the CDEM Act to make it clearer who is responsible for what nationally and regionally	Medium	Medium	3	Tidy	**$0.4m** ($0.2m 18/19 and $0.2m 19/20)		✓
Speed up tsunami warnings (excl. DART buoys)	Medium	Medium	1,5	Tidy			✓
New national emergency management facility to replace the current facility in the Beehive sub-basement	Low	Hard	5	Tidy	**$0.25m** stage 1 business case		✗
Estimated totals					**$5.536m opex** **$0.736m capex**		

s9(2)(f)(iv)

[12] Impact on the outcome set out in paragraph 36

Consultation

Consultation with affected portfolio Ministers

95. The emergency response system involves almost all portfolios and many agencies across government. The review links to New Zealand's national security system, of which emergency management is part. The national security system sets out the governing arrangements and structures to enable all-of-government planning for and response to all hazards and all risks in New Zealand.

96. I have consulted relevant portfolio Ministers on policy proposals that have implications for their portfolios. I will continue to do so as appropriate.

Consultation with local government

97. My officials have consulted with various local government stakeholders, with the assistance of Local Government New Zealand, including local authority elected representatives and chief executives, CDEM Group Managers, and other emergency management personnel. The local government stakeholders that we have talked to generally support the TAG's recommendations for strengthening a regional approach and more consistent services and structures. They also support stronger national leadership through a new national emergency management agency, and more central government clarity on the intent of the CDEM Act and guidance on what is required of local government.

98. Some local government stakeholders have expressed concern about a loss of local council involvement and accountability for local responses and that CDEM Group personnel are too "removed" and not connected enough to local representatives and the community for them to run effective responses. I have discussed this in paragraph 59.

99. Conversely there has been some support in local government for a regional council approach from some emergency management practitioners, a few small territorial authorities and a few unitary authority CDEM Groups.

100. There is also concern about increased expectations of central government as a result of national standards with limited funding, particularly in regions and districts with a small ratepayer base. Although the Government's response is only seeking to ensure that existing expectations are met, this is likely to mean that there will be costs to local authorities of meeting national standards for service levels and performance. The ability of local government to meet any national standards is a wider issue that cannot be addressed by this Ministerial review. The Government has asked the Productivity Commission to undertake an inquiry into local government funding. I do not propose making changes to the funding settings related to emergency response outside of any consideration of the Productivity Commission's findings, which are due in November 2019.

101. Having said that, the costs on various parties (for example, local government) will be considered as national standards are developed. At that time it may be necessary to consider whether to support local authorities who will struggle to meet their share of costs to achieve national standards. I expect that some of this cost would be offset by effectiveness and efficiency benefits of a more regional approach.

102. There is a concern among some CDEM Groups and volunteer organisations we have talked with that professionalising the workforce might push volunteers out of the system. We have heard that many people associate *professionalise* with full-time, paid employment. We acknowledge that volunteers play a crucial role in the emergency management system and will continue to do so. It is essential that volunteers are retained in the system. However, we want a system in which volunteers, where appropriate, can demonstrate relevant and up-to-date training (e.g. current first aid

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certificates, CIMS or other support functions). In cases where that is not appropriate, it is essential that only appropriately trained people lead or task volunteers.

103. We have had early discussions with CDEM Groups about proposals to better engage iwi and marae in the emergency management system.

Consultation with Iwi

104. I have had early discussions with some iwi and marae representatives about the TAG's recommendations to more fully recognise the contribution of iwi/Māori to effective emergency management. DPMC has met with some iwi representatives and consulted with Te Puni Kōkori and people with knowledge of te ao Māori to help develop proposals related to better engagement with iwi.

Consultation with central government agencies

105. The following agencies have been consulted on this paper:

- the Ministries of Business, Innovation and Employment, Civil Defence & Emergency Management, Health, Social Development, Foreign Affairs & Trade;
- the Ministries for Primary Industries, Environment;
- the Department of Internal Affairs (Local Government), Te Puni Kōkiri, DPMC (Security and Intelligence Group), DPMC (Policy Advisory Group), the State Services Commission, the Treasury;
- New Zealand Police; New Zealand Defence Force; Fire and Emergency New Zealand, GNS Science; and
- New Zealand Transport Agencies (Ministry of Transport, Maritime New Zealand, Civil Aviation Authority, New Zealand Transport Authority, New Zealand Search and Rescue).

106. The agencies generally support our proposals. The Department of Internal Affairs (Local Government) notes that, as discussed in paragraphs 58 to 61, some CDEM Groups (local authorities) will be affected more than others by requirements to take a stronger regional approach, and to meet national standards for consistent operating practices and structures. They may need to be supported by the national emergency management agency. The Treasury's comment is in paragraphs 112-113.

Cross-parliamentary reference group

107. I intend to discuss the Government response with the cross-parliamentary reference group shortly before the proposed release. This work was started by the previous Government who also discussed the review with a cross-party group.

Financial Implications

108. As noted through this paper, transforming the emergency response system will require new investment over a period of years. Early estimates of the likely level and timing of the investment is set out in table 2 on page 18.

109. So that we can make informed decisions about the investment we make I propose to develop business cases in a number of areas. DPMC is funding its part of the work on the new national emergency management agency from within its baseline but is unable to fund the work needed to develop business cases for the Common Operating Picture and the new national emergency management facility. Therefore, I am seeking money now to progress work on business cases for these investments so that we can make informed decisions about the level of investment we wish to make in Budget 2020.

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$million	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating: Common operating picture	0.400	-	-	-	-
National emergency management facility	0.250	-	-	-	-

110. Subject to your agreement to the legislative changes indicated in this paper, I am seeking money to enable DPMC to lead work this work now so that we can build on the momentum gained through the policy process so far.

$million	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating	0.200	0.200	-	-	-

111. Finally, I propose that we invest in Fly-in Teams now. My rationale for this is set out in paragraphs 76 -79.

$million	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating	0.941	1.303	1.121	1.121	1.121
Capital	0.368	0.368	-	-	-

Treasury comment

112. Treasury is comfortable with the costings for all of the proposed initiatives for new funding in this paper. Further, the Treasury accept that the new funding requirements for the proposed Common Operating Picture and Stage 1 New National Emergency Management Facility business cases and the legislative review work cannot realistically be absorbed within existing DPMC baselines, and that deferring decisions on these until Budget 2019 would be unhelpful given the timeframes involved for completing the work and informing potential future Budget bids.

113. s9(2)(f)(iv), s9(2)(g)(i)

Legislative Implications and Regulatory Impact Analysis

114. Changes to legislation and making regulations will be required to implement some proposals in the Government response. A high-level Regulatory Impact Analysis of these proposals is attached as Appendix 3. The Government response does not constitute final policy decisions to initiate legislative change or the making of regulations. More policy work will be undertaken prior to final policy decisions being made. Further regulatory impact analysis will be undertaken and submitted at that stage.

Publicity and public release of the Government response

115. The proposals involve action and change at national and local level by a range of stakeholders, inside and outside government. That is why it is important to release the Government response, knowing that there is still quite a bit of work to do in a number of areas.

116. I propose to release the Government response at the South Island CDEM Conference on 30 August 2018. At that time, I also propose to release the response, and this Cabinet paper (with appropriate redactions). I will release this material on DPMC's website.

117. I will also issue a media release and undertake targeted communications with key stakeholders, including local government. My communications will emphasise that:

- Successive reviews have found that New Zealand's response system is stretched which puts our communities at risk during emergencies.

- New Zealand's national emergency management agency and legislation is largely unchanged since 2002, it is struggling to manage the increased workloads bought about by the increased frequency of extreme weather events and major earthquakes plus respond to emerging risks and hazards.

- A number of recent high profile events (Kaikōura earthquake, Port Hills fire) have tested the system to its limits and have exposed weaknesses in emergency response coordination and processes that need to be fixed.

- Whilst there is goodwill and good people on the ground/in the regions this needs to be backed up by nationally set standards, improved training and resourcing with strong leadership and new investment from Government.

- There are a number of opportunities to strengthen and improve our emergency response system. Some recommendations can be implemented relatively quickly and easily. Others are likely to require legislation or will simply take more time to implement.

- There are some areas where further work is needed before decisions can be made, but that will not prevent improvements starting to be made now.

- Many emergencies in New Zealand happen locally. The Government is investing in Fly-in teams to support CDEM Groups to manage emergencies irrespective of where they occur in New Zealand.

- New Zealand will have a much-improved emergency response system as a result of the changes we are making which will help keep our communities safer.

- The Ministerial review is not a criticism of the professionals and volunteers who respond to natural disasters and emergencies on the ground - it is about improvements we can make to strengthen the system.

Recommendations

118. The Minister for Civil Defence recommends that the Committee:

1. **note** that 'emergency management' describes how we organise and manage the people, plans, infrastructure, and assets needed to reduce and manage the consequences of <u>all</u> hazards and risks (e.g. pandemic, pests and diseases, cyber incidents, natural hazards, infrastructure failure, food safety incidents);

2. **note** that New Zealand's emergency response 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 emergencies can affect all New Zealanders and that they can have an enormous impact on our people and communities, the economy, and the environment;

4. **note** the Minister of Civil Defence's vision that people get a consistent level of support in an emergency wherever they are;

5. **note** that a recent review of New Zealand's system of response to emergencies found that while the system has worked, there are vulnerabilities in the system that:

    a. put our people, their communities, property, and businesses at risk; and

    b. slow down recovery, which leads to longer-term costs to communities and the Crown;

6. **note** that these vulnerabilities are concerning in the face of the increasing number of events we are experiencing, and if a major emergency were to occur;

7. **note** that the Minister of Civil Defence has developed a Government response to the report *Better Responses to Natural Disasters and Other Emergencies* produced by a Technical Advisory Group that was established to provide advice on the most appropriate operational and legislative mechanisms to support effective responses to natural disasters and other emergencies in New Zealand;

8. **note** that the Government response sets a direction with actions to improve New Zealand's emergency response system;

9. **note** that substantial policy work, including legislative change, and some investment will be needed to implement these actions;

10. s9(2)(f)(iv)

11.

12. **note** that the Hazard Risk Board (HRB) has a role in managing civil contingencies and hazard risks through appropriate governance, alignment, and prioritisation of investment, policy and activity and is the most appropriate governance body to provide stewardship for the system;

13. s9(2)(f)(iv), s9(2)(g)(i)

14. **note** that the Minister of Civil Defence disagrees with the TAG recommendation that the Ministry of Social Development should have lead agency responsibilities for welfare aspects of a response, and that these should remain with the Ministry of Civil Defence & Emergency Management;

15. **agree** to the establishment of Fly-in Teams to support responses to emergencies in New Zealand;

16. **approve** the following changes to appropriations and departmental capital injections to give effect to the policy decision in recommendation 15, with corresponding impacts on the operating balance and debt:

Prime Minister and Cabinet Minister of Civil Defence	$m – increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure: Emergency Management MCA Departmental Output Expenses: Management of Emergencies (funded by revenue Crown)	0.941	1.303	1.121	1.121	1.121
Department of Prime Minister and Cabinet Capital Injection	0.368	0.368	-	-	-
Total Operating	**0.941**	**1.303**	**1.121**	**1.121**	**1.121**
Total Capital	**0.368**	**0.368**	**-**	**-**	**-**

17. **agree** to the Department of the Prime Minister and Cabinet developing a business case for a Common Operating Picture;

18. **approve** the following change to appropriations to give effect to the policy decision in recommendation 17, with a corresponding impact on the operating balance:

Prime Minister and Cabinet Minister of Civil Defence	$m – increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure: Emergency Management MCA Departmental Output Expenses: Policy Advice - Emergency Management (funded by revenue Crown)	0.400	-	-	-	-

19. **agree** to the Department of the Prime Minister and Cabinet developing a stage 1 business case for a new national emergency management facility;

20. **approve** the following change to appropriations to give effect to the policy decision in recommendation 19, with a corresponding impact on the operating balance:

Prime Minister and Cabinet Minister of Civil Defence	$m – increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure: Emergency Management MCA Departmental Output Expenses: Policy Advice - Emergency Management (funded by revenue Crown)	0.250	-	-	-	-

21. **agree** to the Department of the Prime Minister and Cabinet commencing work on the legislative change necessary to support the proposals in the response to the review;

22. **approve** the following changes to appropriations to give effect to the policy decision in recommendation 21, with a corresponding impact on the operating balance:

	$m – increase/(decrease)				
Prime Minister and Cabinet Minister of Civil Defence	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23 & Outyears**
Multi-Category Expenses and Capital Expenditure: Emergency Management MCA Departmental Output Expenses: Policy Advice - Emergency Management (funded by revenue Crown)	0.200	0.200	-	-	-

23. **agree** that the proposed changes to appropriations and departmental capital injection for 2018/19 above be included in the 2018/19 Supplementary estimates and that, in the interim, the increases be met from Imprest Supply;

24. **agree** that the expenses and department capital injection incurred under recommendations 16, 18, 20 and 22 above be charged, respectively, against the between-Budget contingency established as part of Budget 2018, and as a pre-commitment against the Budget 2019 capital allowance;

25. s9(2)(f)(iv), s9(2)(g)(i)

26.

27. **agree** that the Minister of Civil Defence discusses the proposed Government response with a cross-parliamentary reference group prior to its public release;

28. **agree** that the Minister of Civil Defence may make editorial and non-substantive changes to the Government response prior to its release; and

29. **agree** that the Minister of Civil Defence publicly releases the Government response attached to this Cabinet paper.

Authorised for lodgement
Hon Kris Faafoi
Minister of Civil Defence

Appendix 2

Table 1: Tidy Up and Clarify Initiatives

Theme	Initiative	Indicative Cost	Impact[1]	Ease
Put the safety and wellbeing of people at the heart of the emergency response system	Speed up tsunami warnings s9(2)(f)(iv), s9(2)(g)(i)	s9(2)(f)(iv), s9(2)(g)(i)	Medium	Medium
	Continuous improvement of warnings to the public	In existing MCDEM baseline	Medium	Easy
	Formalise strategic communications role in the CIMS review and associated processes	In existing MCDEM/DPMC baselines	Medium	Easy
	Continue to engage with communities and business to ensure the emergency response system meets their needs,	Part of MCDEM's and CDEM Group's existing business. Would be enhanced through a strengthened national emergency management agency	Medium	Easy
Strengthen the national leadership of the emergency management system	Clarify lead agency responsibilities		Low	Medium
Make it clear who is responsible for what nationally and regionally	Change the CDEM Act to make it clearer who is responsible for what nationally and regionally	$0.4m to fund this work	Medium	Medium
	Formalise roles and responsibilities in review of CIMS; and require use of CIMS	In existing MCDEM baseline	High	Easy
Build the capability and capacity of the emergency management workforce	See Table 2: 'System transformation' initiatives			
Improve the information and intelligence system that supports decision making in emergencies	New national emergency management facility to replace the National Crisis Management Centre	s9(2)(f)(iv), s9(2)(g)(i) Needs a business case.	Low	Hard
	Address issues with current facility • Upgrade IT infrastructure within existing facility • Complete establishment of Auckland Facility	In existing MCDEM baselines	Medium	Easy
	Integrate science advice		Medium	Easy

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[1] Impact on the outcome set out in paragraph 36

Table 2: System transformation initiatives

Theme	Initiative	Indicative Cost	Impact[2]	Ease
Put the safety and wellbeing of people at the heart of emergency response system	Iwi participation – governance and planning	TBD	Medium	Hard
	Iwi participation – operational marae		Medium	Medium
	Improved partnerships with communities, business, CDEM Groups	Built into costs of a potential new national emergency management agency[3]	Medium	Medium
Strengthen the national leadership of the emergency management system	New national emergency management agency to replace MCDEM • Standard setting and monitoring • System assurance • Workforce development • Public education • Leading (and supporting) the all-hazards response to emergencies • Leading investments in system-level infrastructure • Developing partnership with iwi, communities, business, CDEM Groups	s9(2)(f)(iv), s9(2)(g)(i)	High	Medium
	Setting and enforcing standards; system assurance	Built into costs of a potential new national emergency management agency[3]	High	Medium
	System stewardship – use of Hazard Risk Board, refocus its Terms of Reference	Nothing additional	High	Medium
Make it clear who is responsible for what nationally and regionally	See Table 1 'Tidy up and clarify' initiatives			
Build the capability and capacity of the emergency management workforce	Fly-in Teams	$1.121m pa opex $0.736m capex	High	Easy
	Develop foundations needed for workforce development: • Controller development programme • Building capability in CIMS functions • Explore options for building emergency management volunteer capability and capacity	In MCDEM baseline ongoing, with additional funding provided by the Hazard Risk Board until June 2019. Work on volunteers covers concept development and scoping of options after which there will be an implementation phase, which may need investment. This not funded.	Medium	Medium
	Embed professionalisation • Accreditation of controllers and enforcement of CIMS training expectations • Career pathways • Attract people to the profession	Built into costs of a potential new national emergency management agency s9(2)(f)(iv)	High	Medium Requires legislative change
Improve the information and intelligence system that supports decision making in emergencies	Develop and implement a Common Operating Picture	Money to make limited progress on some elements of the Common Operating Picture is in MCDEM and FENZ baselines. $0.4m is needed to develop a business case for this investment s9(2)(f)(iv)	High	Hard

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[2] Impact on the outcome set out in paragraph 36

s9(2)(f)(iv), s9(2)(g)(i)