



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

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

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

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

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

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

Key to redaction codes:

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

The following items are not included in this release:

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



BRIEFING: Current thinking on the National Emergency Management Agency (NEMA) to support your meeting with SSC and DPMC

To:	Hon Kris Faafoi Minister of Civil Defence
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Date:	26 June 2018	Tracking number:	1718NSP/084
Security classification:	In-Confidence	Priority:	Routine
Action sought:	For noting		
Deadline for action:	Meeting with DPMC officials – 4.45pm Tuesday 26 June Meeting with DPMC and SSC officials - 10am Wednesday 27 June		

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Andrew Kibblewhite	Chief Executive - DPMC	9(2)(a)		
Karen Jones	Director, Office of the Chief Executive - DPMC	9(2)(a)	9(2)(a)	✓

Consultation
The State Services Commission has been consulted on this paper and is comfortable with its contents for the purposes of this meeting.

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments

BRIEFING: Current thinking on the National Emergency Management Agency (NEMA) to support your meeting with SSC and DPMC

To:	Hon Kris Faafoi Minister of Civil Defence
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Purpose

You are meeting with the State Services Commissions' Debbie Power and the Department of Prime Minister and Cabinet's Andrew Kibblewhite on Wednesday 27 June at 12.15pm to discuss the proposed National Emergency Management Agency (NEMA).

This paper contains our current thinking to help you understand important context and issues ahead of that meeting.

Recommendations

The DPMC TAG Implications Team recommends that you:

1. **Note** the contents of this briefing ahead of your meeting with Debbie Power (State Services Commission) and Andrew Kibblewhite (Department of Prime Minister and Cabinet) on Wednesday 27 June.



Karen Jones
**Director, Office of the Chief Executive –
DPMC**

Date: 26 / 6 / 18

Minister Kris Faafoi
Minister of Civil Defence

Date: / /

The TAG recommended establishing a National Emergency Management Agency to replace the Ministry of Civil Defence and Emergency Management

1. The Technical Advisory Group (TAG) review of the New Zealand system of response to natural and other disasters found that the emergency management system needs far stronger, more proactive national leadership.
2. To achieve this, the TAG recommended that the Government set up a new national emergency management agency as a Departmental Agency hosted by the Department of Prime Minister and Cabinet (DPMC) to replace the Ministry of Civil Defence and Emergency Management (MCDEM). It recommended that the new agency retain the 4R's, all-hazards, all-risks perspective and have a focus on operational responsibilities. It recommended shifting strategic policy advice responsibilities to a separate part of DPMC.
3. The TAG did not intend a new national emergency management agency to be a simple rebranding of MCDEM. Rather it said it would reposition central government's role in the system to provide stronger leadership to local government and assurance to the Government and the public. The TAG noted that "this will require more proactive leadership of the sector, and an assertive, and when required, directive stance, as envisaged in the provisions of the Civil Defence Emergency Management (CDEM) Act". It also noted that some existing roles of MCDEM (for example, its Lead Agency-Infrastructure Failure responsibilities) would need to move elsewhere.
4. The TAG report noted that it would be important that the new agency has the resources and capability to credibly do the job expected of it.
5. Collectively these are significant changes. This paper sets out our current thinking on these recommendations. It is structured in two parts. The first part outlines the emergency management system, and its key attributes, and the proposed national emergency management agency's (NEMA) role in it. The second sets out our thinking on whether structural changes are needed to achieve what the TAG envisioned.

Part 1: The emergency management system and NEMA's role in it

Ensuring the system is fit for purpose is a public good and is government's responsibility

6. Central government has a core role to play in ensuring that the country's emergency management system is fit-for-purpose and has the legislative framework and capabilities New Zealand needs to plan for, withstand, respond to, and recover from an emergency. Central government must also provide leadership in times of significant crisis; working with a wide range of stakeholders and agencies in central, regional, and local government and in the private and community sectors to do this effectively.

The emergency management system is highly devolved and operates at national, regional, and local levels

7. New Zealand's emergency management system is a devolved one in which a wide range of people and agencies play a part. The emergency management sector includes: central government, local government, emergency services, non-government organisations, business, research and science, iwi, and the public. Delivery of emergency management happens at local, regional, and national levels.

8. Though there are a vast number of players, there is no single agency with oversight of the sector, ensuring that it is collectively delivering what New Zealanders need.

Recent events highlighted problems with New Zealand's existing emergency management system; stronger national leadership is a critical part of the solution

9. The Kaikoura earthquake and Port Hills fires responses, in particular, showed that our emergency management system does not operate as well as it needs to when responding to emergencies. While the system has worked, its vulnerabilities are concerning.
10. A permissive national leadership approach has contributed to some of these vulnerabilities. It has resulted in in ad-hoc and inconsistent capability and approaches across the country, within regions, and between central government agencies. The TAG felt that a key part of the solution for reducing these vulnerabilities was far stronger, more proactive leadership at the national level than it has currently. We support the TAG's position.

What does 'all hazards', '4Rs', and 'operational' mean for a NEMA?

11. We agree with the TAG's recommendation to establish a new national emergency management agency (NEMA) to replace MCDEM, and that the new agency would have an 'all-hazards', 4Rs operational focus. It would also provide national support and coordination in states of local emergency, and control in national emergencies.
12. In the following section, we outline what these concepts mean and how they will shape the role and function of the proposed NEMA.

Emergency management and the 4Rs

13. Emergency management aims to reduce or avoid the potential losses from hazards, assure prompt and appropriate assistance to victims of disaster, and achieve rapid and effective recovery.
14. In New Zealand, as is the case internationally, activities undertaken by the emergency management sector are integrated across the 4Rs of emergency management (Risk Reduction, Readiness, Response, and Recovery). Each of the 4Rs relates to an incident or emergency (reducing the risk of one, preparing for one, responding to one, or recovering from one).

Strategic and Operational

15. The 4Rs of emergency management have both strategic and operational aspects. Broadly speaking:
 - Strategic activities are those that define the overall direction of the emergency management system (in the context of national security risks and wider public service priorities).
 - Operational activities refer to the more detailed work required to give effect to the strategic decisions (e.g. undertaking response and recovery, designing regulations and standards for the emergency management sector).
16. In some cases, agencies can have both strategic and operational responsibilities at the same time. For example, the Ministry for Primary Industries (MPI) is responsible for providing advice around policy settings around biosecurity risk (strategic activity). It is also responsible for leading responses to biosecurity risk incidents and ensuring that it has the capability and capacity to do this (operational activity).

Incidents and emergencies

17. Individual agencies are responsible for managing responses to incidents that result from specific hazards. These agencies do this under their relevant legislation and accountability structures, and manage the response using the Co-ordinate Incident Management System (CIMS) and in some cases common tools. Incidents can be large scale and significant but may not trigger the need for management under the CDEM framework. Recent examples include Operation Concord (1080 Infant Milk Powder incident), MPI's Mycoplasma *bovis* or Myrtle Rust responses.
18. Incidents can escalate into emergencies (as defined in the CDEM Act) at which point they are managed under the CDEM legal framework. Emergencies also occur as a result of fast onset events like earthquakes, which are also managed under the CDEM legal framework. In national emergencies, MCDEM is the lead agency, while CDEM Groups take the lead in regional and local emergencies.
19. The transition from incident to emergency is illustrated in the following diagram:

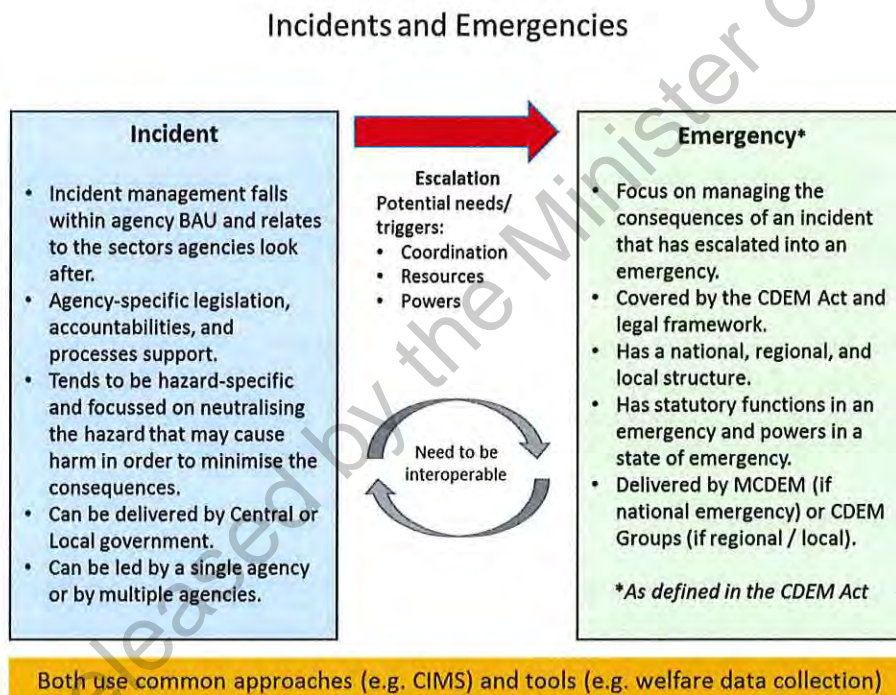


Figure 1: Incidents and Emergencies

20. The split between 'incident' and 'emergency' has implications for the scope and mandate of NEMA.

The 'emergency' side (the green box in Figure 1)

21. In times of crises (response) NEMA would have a specific role to provide leadership through direct control and support in national and local emergencies (response function). This is consistent with the all hazards / all risks approach intended in the CDEM Act.

22. To do this effectively, NEMA would have a specific regulatory role¹ in ensuring the fitness for purpose of the part of the sector that manages states of emergency (the green box). This would be its focus in normal conditions (non-response). It would do this through –
- Setting standards for CDEM roles and functions
 - Ensuring roles and responsibilities are clear, agreed, and understood at all levels.
 - Monitoring and evaluating the performance of CDEM Groups and people with roles under the CDEM Act.
 - Monitoring and evaluating the National CDEM Strategy
 - Developing, monitoring, and evaluating the National CDEM Plan, technical standards and guidelines
 - Building the capability and capacity of the CDEM workforce
 - Delivering public education about what to do in emergencies
 - Undertaking response or recovery activities.

The 'incident' side (the blue box in Figure 1)

23. Since the green box is the escalation point in the system, NEMA would have specific system-level responsibilities to ensure the emergency management system in general (which includes incidents and emergencies) is capable and fit for purpose (stewardship and oversight role), and that the participants within it can respond appropriately when called upon.
24. To do this, NEMA would have a role in supporting agencies build their incident management capability (particularly around CIMS and all of government response), adopt best practice planning and performance frameworks, and understand emergency management as a discipline.
25. NEMA would also own cross-agency 'system improvement' investments, such as the Common Operating Model, the National Crisis Management Centre (the 'bunker') replacement, and building science into the response process because the benefits of such investments are common to both the incident and emergency sides of the system.

Where do Natural Hazards fit?

26. MCDEM is currently lead agency for natural hazards, which means it undertakes both strategic and operational activity across the 4Rs in relation these hazards (in particular – weather events, earthquakes, and tsunamis).
27. The TAG noted that “being the lead agency for particular hazards or consequences does not sit well with the all hazards – all risks perspective that the national agency needs to take.” This suggests that NEMA would not have a natural hazards function (which would be placed in another agency). However, on closer inspection, questions arise as to where natural hazards should reside in the system, and what this means from an operational and strategic perspective.
28. New Zealand is a country vulnerable to geological and weather events and others hazards. Given this, it is essential that there is specialised natural hazards input into emergency management policy and planning, and setting national standards for natural hazard management. Importantly, the natural hazards function that is needed is not a response function. Rather, it is envisaged as a centre of subject matter expertise that would feed into the response process, like communicable disease expertise would help inform a pandemic response, or cyber security expertise would inform a response to a cyber-attack.

¹ As currently defined in the CDEM Act 2002

29. Options to retain a natural hazards capability include:

Option 1 Creation of a separate Natural Hazards agency	Option 2 NEMA has strategic and operational aspects of natural hazards + operational system leadership	Option 3 NEMA has operational aspects of natural hazards + operational system leadership
<ul style="list-style-type: none"> • MCDEM or another agency (i.e. Land Information New Zealand or Ministry for the Environment) becomes agency responsible across the 4Rs for natural hazards both strategic and operational levels. • NEMA sole focus is operational system leadership 	<ul style="list-style-type: none"> • NEMA as the agency responsible across the 4Rs for natural hazards both strategic and operational levels • NEMA also delivers operational system leadership 	<ul style="list-style-type: none"> • NEMA as the agency responsible across the 4Rs for natural hazards (operational level) • DPMC as agency responsible for the strategy, policy and investment around resilience and natural hazard risk (strategic level) • NEMA also deliver operational system leadership

30. Since management for most natural hazard events sits with local or regional government, the central government 'lead' agency role in this space would be very similar to NEMA's system leader role in 'incident management'. Therefore, we support Option 3 in which NEMA would be responsible for operational aspects of natural hazard management, in addition to its operational system lead role.

31. In this option, DPMC would have responsibility for the strategy, policy and investment around resilience and natural hazard risk. This aligns with the TAG's recommended that "Strategic Policy relating to emergency management across all relevant Acts should be considered as part of wider national security policy, and accordingly responsibility transferred to the national security policy directorate of DPMC...this reflects the need for greater operational focus at the national level to support effective emergency management."

So what would NEMA's role be in light of all this?

32. The national agency would therefore have four distinct roles:

- Coordinator and influencer of the entire emergency management system – creating and maintaining the buy-in from across the system to ensure the emergency management function delivers what New Zealand needs. This involves undertaking different activities across the 4Rs for all hazards. This role requires a mix of regulatory and non-regulatory tools and levers.
- Regulator/assurer of the CDEM part of the system – building the capability and capacity of the CDEM sector to plan for, withstand, respond to, and recover from emergencies across all hazards. Providing assurance to the Government and the public that the CDEM sector is fit for purpose. This role uses strong regulatory levers and some tools.
- Lead/support (in response) - providing leadership through direct control and support in national and local emergencies across all hazards. This role uses specific statutory powers and regulatory tools.

- Natural Hazards expert (in normal and response conditions) – a small unit within NEMA would provide the subject matter expertise necessary to manage natural hazards risk across the 4Rs, at the operational level. This role uses non-regulatory levers and tools.

Current institutional arrangements are varied – no one is doing what NEMA would

33. Our analysis confirms that elements of NEMA's (proposed) role are being delivered across government (though not all of them) and there is no one agency doing the role the national agency is envisaged to have. The following section outlines where some of those different elements lie. The scope of work undertaken by each group in each area differs. This table is intended to show overlaps only.

	Unit/ Group	Function							
		System Co- ordination	Strategic Policy	Operational Policy (CDEM)	Response Co- ordination	Workforce Planning	Community Resilience	All Hazards	Local Govt Engage- ment
DPMC	MCDEM	√ Limited to CDEM system	√ Limited amount (i.e. Disaster Resilience Strategy)	—	√ Lead national emergency & support local emergency	√ CDEM sector focus	√	— Limited mainly to natural hazards	√
	National Security Systems Directorate	√ Limited to NS system	—	—	√ Focus on ODESC response	—	—	√	—
	National Security Policy Directorate	√ Limited to central govt & national security issues	√	√ Looking to retreat from this under its new structure	√ Support for MCDEM in emergency & support for ODESC response	—	—	√	—
	National Security Workforce Directorate	√ Limited to oversight of system workforce	—	—	—	√	—	—	—
	National Risk Unit	√ Limited to oversight of system risks	—	—	—	—	—	√	—
	Hazard Risk Board	√ Limited to central govt	—	—	—	√	—	—	√
	DIA	—	—	—	—	—	√	—	√

Implications of NEMA on DPMC and other agencies

34. It is clear from the table that some operational activities currently sitting in DPMC's National Security Group would need to move to NEMA (e.g. developing response workforce/national

exercise programme/operational CDEM policy), and those strategic activities currently delivered by MCDEM would need to move to the National Security Group (e.g. NZ Disaster Resilience Strategy).

35. Strategic and operational hazard-specific activities that currently sit in MCDEM would also need to move into other agencies (e.g. Lead Agency responsibilities for infrastructure failure would move from MCDEM to appropriate agencies, such as MBIE for ICT, energy, and fuel-supply hazards).

Part 2: Do we need a Machinery of Government change?

The nature of the change required suggests a new agency is needed as building on existing agencies won't achieve the results envisioned

36. In principle, many of the changes required will come through non-structural options (e.g. setting and enforcing national standards, increasing compliance with existing frameworks, and building capability). However, the nature of the shift required is significant enough to warrant a MOG change.
37. We believe that a machinery of government (MOG) change is needed for two main reasons:
 - NEMA's role is different to that of MCDEM and requires different culture and capabilities
 - The new agency needs to sufficient mana to fulfil its role

NEMA's role is different to that of MCDEM and requires a different culture and capabilities

38. The role of the NEMA is very different to the one that MCDEM is doing, and would require different skills and expertise. MCDEM's current skill set is geared toward natural hazards, operational response, and interacting with the CDEM framework. Our assessment is that more than half of the functionality of a new agency would have to be new (i.e. does not currently sit in MCDEM).
39. The following diagram shows our estimate of existing skills/new skills needed.



40. Of course, an option is to bring the new skills into MCDEM without changing the structure. However, a key consideration here is organisational culture. The TAG felt that "there is a strong case for a significant shift in culture, objectives, business strategy, and operating model at the national level".

41. MCDEM's organisational culture has grown over the years and is unique to the organisation and its people. MCDEM is known for its culture of camaraderie, tight-knit teams, and response-focus. Effort would be required to grow and embed an outward-facing culture of 'system leadership' and 'outcomes thinking', a culture that will be essential in NEMA.
42. We know that changing organisational culture is one of the toughest things to do, and even with sustained effort and resource, is not always guaranteed to work. There is a risk that adding new staff into an existing culture in the hopes of changing it may in fact have the reverse effect, and new staff will begin to identify with the existing culture.
43. It is easier to start from a clean slate and rebuild the desired culture from the get-go. The TAG reached the same conclusions, stating, "Restructuring on its own will do little to change focus and culture. However, establishing a new agency would provide greater autonomy, transparency, and status for the emergency management role....And it would send a clear signal of change in direction and operating style".

The new agency needs to have sufficient mana to fulfil its role: a Departmental Agency would facilitate this


44. In order to deliver its role to the best of its abilities, the NEMA would need access to a range of information held by non-CDEM agencies, for example things like:
 - agency views on risks and where emergency management activity would likely be needed in different scenarios,
 - assurance that appropriate plans are in place to manage these risks,
 - assurance that people are trained and capable of responding, and
 - assurance that agencies know how to transition to an emergency (understanding tipping points, recognising when consequence management is required).
45. Given the Director CDEM has no statutory powers over non-CDEM parts of the system (making direction and regulation ineffective tools) acquiring this information will involve a great deal of nudging, influencing, and cajoling of wider emergency management system participants. MCDEM currently lacks the influence and authority to do this.
46. The national agency's role to support agencies build their capability, planning, and response preparedness for specific hazards, as well as being entrusted to deliver cross-agency 'system improvement' investments, also requires wider system participants' trust and respect. NEMA must be viewed as a competent authority on emergency management; much like SSC is the competent authority on machinery of government issues. MCDEM's focus on CDEM and natural hazards has affected its visibility within the wider emergency management system, and others' perceptions of it.
47. MCDEM is currently a Business Unit, led by a Tier 2 official. It does not have a Chief Executive, backed by an independent department, who is in a position to provide the stronger, more assertive and directive leadership and assurance that the TAG envisioned.
48. We support the TAG's recommendations to set up a new national emergency management agency to replace MCDEM.

Does NEMA need to stay in DPMC? Can it go other places?

49. Whether it remains a business unit, or is established as a Departmental Agency, NEMA will need to be located in a host agency. The two most likely options are to locate NEMA with either DPMC, or to locate it with the Department of Internal Affairs (DIA).
50. A key issue to consider is how to balance the need for NEMA to play a leadership role across the devolved emergency management system, the bulk of which is distributed with to work with local government and communities, with the need for it to also play a critical role in New Zealand's all-hazards National Security System (NSS).
51. Ministers will need to decide whether there are greater benefits from operational leadership of New Zealand's emergency management system being more aligned to the strategic function of DPMC in leading the NSS with its all-hazards focus, or to the regional, local and community structures that form the heart of our devolved civil defence emergency management system.
52. The TAG recommended that NEMA become a Departmental Agency hosted by DPMC, given its strategic role in the NSS and its all-hazards focus. Proximity to ODESC and the wider NSS supports a 'whole-of-system' mandate (i.e. across the blue and green boxes in figure 1) which helps to achieve the legislated all-hazards mandate and to better integrate CDEM and other parts of the emergency management system. SSC, however, favours NEMA being hosted by DIA, given that DIA is a large operationally-focused agency with strong regulatory capability and an existing leadership role in regional and local government, communities, and with the emergency services (e.g. Fire and Emergency New Zealand).
53. If it is decided to locate NEMA in DIA, the messaging about why the function is returning would need to be carefully managed, as MCDEM was moved out of DIA four years ago, on the back of reviews of the Christchurch earthquakes.

What could NEMA look like in its final location?

9(2)(f)(iv)



Proactively released by the Minister of Civil Defence



Proactively released by the Minister of Civil Defence

Appendix 1: MCDEM Current Structure

