



Proactive Release

The following document has been proactively released by the Department of the Prime Minister and Cabinet, on behalf of Rt Hon Christopher Luxon, Prime Minister:

National Risk and Resilience

The following documents have been included in this release:

Title of paper: National Risk and Resilience (CAB-24-SUB-0471 refers)

Title of minute: Report of the Cabinet Business Committee: Period Ended 29 November 2024 (CAB-24-MIN-0471 refers)

Title of minute: National Risk and Resilience (CBC-24-MIN-0112 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to redaction code:

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

Office of the Rt Hon Christopher Luxon
Prime Minister
Cabinet Business Committee

National Risk and Resilience

Proposal

1. To agree an approach that drives government action on the most serious potential risks and crises facing New Zealand and provides confidence these risks are being strategically and proactively managed.
2. This proposal involves increasing Ministerial visibility of national risk management and resilience-building efforts on the Government's agenda and how they fit together. By better understanding how objectives across different workstreams align we will ensure the package of work is commensurate to the problems, cost-effective, and efficiently contributing to the Government's objective to reduce New Zealand's exposure to the harm and cost of crises.

Relation to government priorities

3. Rebuilding and strengthening the economy is a priority for this Government. A proactive focus on reducing risk and building resilience will help to reduce New Zealand's exposure to the harm and cost of crises, and ensure the Government's fiscal position remains sustainable through shocks and stresses.

Background

4. New Zealand faces a number of National Risks¹ (listed in Annex B) that could happen at any time and significantly impact people, the economy, and the Government's ability to deliver its objectives. At the same time, the social and fiscal challenges from global forces such as climate change and geostrategic instability are increasing, which can exacerbate the risks and our ability to manage them. The scale and consequences of crisis events for New Zealand are worsened by gaps in our resilience and preparedness – due, for example, to poor planning, monitoring or asset management.

Economic justification for action

5. The economic impact of major hazards and national security threats is significant. For example, our economy is highly exposed to damage and loss caused by natural hazards, ranking second globally in expected annual financial losses relative to GDP.² Over the last two decades it is estimated New Zealand has spent on average more than 4% of GDP per year responding to and recovering from natural hazards.

¹ National Risks are those hazards and threats that could have serious immediate and/or long-term effects on our safety, prosperity and/or national security, requiring national-level intervention and coordination (e.g. earthquakes, pandemics, severe weather, cyber-attacks).

² NZ ranked 2nd out of 42 countries assessed by Lloyds in 2018, in "A world at Risk: Closing the Insurance Gap."

6. Despite the high cost of crises, we do not have a formalised framework or strategy for the proactive management of National Risks. In the aftermath of major crises involving significant impact on communities and infrastructure, central government often reacts in an ad hoc way, establishing costly bespoke structures and funds, and acting as 'insurer of last resort'. This leads to a moral hazard, ultimately disincentivising asset owners, businesses and local authorities from proactively mitigating their own risks. Our reactive, wait-and-see posture is inefficient and unsustainable, with inquiry after inquiry reiterating New Zealand's approach is not good enough.³
7. Prevention is better than cure – we must be proactive. There is a strong economic, social, and regulatory case to lift our game by reducing the likelihood, scale, and cost of future crises. The Government's response to the Inquiry into the Response to the North Island Severe Weather Events agreed by Cabinet in September was a significant step forward in ensuring New Zealand has an effective and fit-for-purpose Emergency Management System. But I also want responsible Ministers and government agencies to be doing more at the strategic level to actively manage and build resilience to all National Risks, to get ahead of crises before they hit us.

A strategic and action-orientated approach will make New Zealand more resilient

8. We cannot always predict when, where and how National Risks might play out. Our focus needs to be on building national resilience by preventing them where we can, and reducing their potential likelihood and consequences where we cannot. We must make targeted decisions that position our finite resources to where they will have the greatest impact.
9. I propose Cabinet agree the **National Risk and Resilience Framework** outlined in Annex A. This identifies the specific actions that will be taken at the national level to drive a strategic, proactive approach to the management of National Risks.
10. The Department of the Prime Minister and Cabinet (DPMC) is the strategic-level lead and steward of the National Resilience System⁴ and will lead the implementation of the National Risk and Resilience Framework across government.
11. I will ensure Cabinet receives regular assurance reporting on the status and effectiveness of risk management actions, and strategic opportunities to reduce risk and build resilience. The Minister for Emergency Management and Recovery will continue to be responsible for the emergency management system and lead central government's operational response to and recovery from national and local emergencies, working with other Ministers as appropriate.
12. I expect relevant agencies to work with DPMC to deliver the activities in the Framework. These roles are outlined in Annex B. I have asked DPMC separately to provide me recommendations on roles and responsibilities across the National Resilience System. The roles in Annex B remain interim, pending this advice.

³ Including: 2016 OAG report into the Governance of the National Security System; 2018 Technical Advisory Group report on better responses to natural disasters and other emergencies in NZ; 2020 Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain; 2022 OAG report into the co-ordination of the all-of-government response to the Covid-19 pandemic; and, 2024 Report of the Government Inquiry into the Response to the North Island Severe Weather Events.

⁴ The National Resilience System comprises the various systems (national security, hazards, strategic crisis, and emergency management systems) that function collectively to improve resilience to our most serious hazards & threats.

Alignment and prioritisation across national risk management and resilience-building efforts

13. Responsible Ministers and their agencies are already progressing work to improve New Zealand's approach to national risk management and resilience-building either directly or indirectly, including for example:
 - 13.1 *Adaptation Framework* – Minister for Climate Change
 - 13.2 *Strengthening critical infrastructure asset management and resilience* – Minister for Infrastructure
 - 13.3 *National Policy Statement for Natural Hazards* – Minister Responsible for Resource Management Act Reform
 - 13.4 9(2)(f)(iv)
 - 13.5 *Emergency Management System Improvements (including recovery arrangements)* – Minister for Emergency Management and Recovery
 - 13.6 *Government Digital Infrastructure Resilience* – Minister for Digitising Government
 - 13.7 *Defence Capability Plan* – Minister of Defence
 - 13.8 *Pacific Resilience* – Minister of Foreign Affairs
 - 13.9 *Local Government System Improvements* – Minister of Local Government
14. I want to ensure there is Ministerial visibility of how relevant workstreams on the Government's agenda relate to each other and fit within the National Risk and Resilience Framework. I expect us to use the Framework to identify any gaps and avoid creating an overly complicated, duplicative or costly risk management system, and to hold agencies to account for progress and performance.

Implications

15. 9(2)(f)(iv)
16. There are no legislative implications to the recommendations in this paper. This proposal does not change any statutory roles or day-to-day responsibilities for the management of National Risks and their consequences, which remains with relevant ministerial portfolios and government agencies. There are no other cost-of-living, climate, population or human rights implications to the recommendations in this paper.

Impact Analysis

17. There are no regulatory or other impacts to the recommendations in this paper that require further analysis.

Use of External Resources

18. External resources were not used to develop this paper.

Consultation

19. This paper was drafted by DPMC and consulted with the following agencies; NZ Customs Service, Department of Internal Affairs, Ministry of Business, Innovation, and Employment, Ministry of Foreign Affairs and Trade, Ministry for Primary Industries, Ministry of Transport, NZ Police, Public Service Commission, Treasury, Ministry of Health, Ministry for the Environment, National Emergency Management Agency, Ministry of Defence, NZ Defence Force, NZ Security Intelligence Service, Government Communications Security Bureau, Natural Hazards Commission, Fire and Emergency NZ, Ministry for Regulation and Civil Aviation Authority.

Communications

20. Information on the National Risk and Resilience Framework will be made publicly available on the DPMC website.

Proactive Release

21. I intend to proactively release this paper in full, within 30 business days, subject to necessary redactions under the Official Information Act 1982.

Recommendations

The Prime Minister recommends that the Committee:

1. **agree** the National Risk and Resilience Framework (Annex A), led by the Department of the Prime Minister and Cabinet, to drive a more strategic, proactive approach to managing National Risks;
2. **invite** the Prime Minister to report back to Cabinet annually on the status and effectiveness of national risk management and resilience-building efforts, and strategic opportunities to reduce risk and build resilience;
3. **agree** the National Risk and Resilience Framework will be used to provide Ministers greater visibility of how relevant workstreams on the Government's agenda relate to each other to achieve our objective to reduce New Zealand's exposure to the harm and cost of crises;
4. **direct** officials to work with the Department of the Prime Minister and Cabinet to implement the National Risk and Resilience Framework including providing information that supports monitoring and development of advice for reporting back to Cabinet; and
5. **note** New Zealand's National Risks and interim risk-coordinating agencies (Annex B), and that I have asked the Department of the Prime Minister and Cabinet separately to provide me recommendations on roles and responsibilities across the national resilience system.

Authorised for lodgement

Rt Hon Christopher Luxon

Prime Minister

Appendices

Annex A: National Risk and Resilience Framework

Annex B: New Zealand's National Risks

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National Risk and Resilience Framework

Drives action and provides assurance.

The strategic actions government will take to proactively build resilience to National Risks and ensure New Zealand's safety and future prosperity.



NATIONAL RISK REGISTER

- Identify and assess National Risks – the **most serious hazards and threats** facing New Zealand.
- Identify key causes and major consequences, and **potential risk management gaps and priority actions**, across National Risks.
- Identify **agencies responsible** for advising on risk mitigations and plans.
- Track risk status and **priorities for focus and action**

NATIONAL PLANNING

- Have effective operational plans for National Risks that mean **we are ready to respond quickly and effectively in a crisis**.
- Agree roles and responsibilities ahead of time so we **know exactly who does what when a crisis hits**.
- **Lessons from past experiences are implemented** in our future plans.

NATIONAL EXERCISE PROGRAMME

- Keep agencies and Ministers **crisis-ready through regular simulations** that test our capabilities and builds experience.

PUBLIC COMMUNICATION & PREPAREDNESS

- Build national resilience and **empower New Zealanders by keeping them informed and prepared**.

PRIORITIES FOR BUILDING RESILIENCE

- **Take decisive, impactful action** to prevent, or reduce the potential likelihood and impact of, crises.

STRATEGIC CRISIS RESPONSE

- Ensure **key decision-makers can set direction in times of crisis** based on good quality information and advice.

MONITORING & REPORTING

- Keep **Ministers and other key decision-makers informed** on the status and effectiveness of national risk management.

Roles & governance

Department of the Prime Minister and Cabinet is the strategic steward and leader of the National Resilience System, responsible for:

Driving and implementing the National Risk and Resilience Framework across government.

Prioritising and providing assurance to Ministers and key decision-makers.

Leading a coordinated government response to an emerging risk or actual crisis through activation of the Officials' Committee for Domestic and External Security Coordination (ODESC) system.

National Hazards Board and National Security Board, chaired by the Chief Executive of the Department of the Prime Minister and Cabinet, are responsible for:

Governance and oversight across National Risks, collectively driving improvements in risk management, focused particularly on reducing risk and increasing national preparedness.

Risk-coordinating agencies are endorsed by the relevant Board and are responsible for:

Working with the Department of the Prime Minister and Cabinet to provide coordinated cross-agency advice on strategic risk management gaps or opportunities, through the activities outlined above.

New Zealand's National Risks

National Risks are those hazards and threats that could have serious immediate and/or long-term effects on New Zealand's safety, prosperity and/or national security, requiring national-level intervention and coordination. This list of National Risks and risk-coordinating agencies has been agreed by the National Hazards Board and the National Security Board.

National Risks		Interim risk-coordinating agency(s) ¹
National Hazards Board (NHB)	Earthquake	NEMA
	Tsunami	NEMA
	Volcanic activity	NEMA
	Severe weather and flooding	NEMA & MfE
	Space weather	NEMA & MBIE
	Drought	MPI
	Pest or disease incursion	MPI
	Food safety incident	MPI
	Communicable disease outbreak	MOH
	Vector-borne disease outbreak	MOH
	Radiological or hazardous substance incident	MOH & FENZ
	Wildfire	FENZ
	Major fire or explosion	FENZ
	Major oil spill	MOT (MNZ)
	Major transport incident	MOT
	Commodity/energy price shock	MBIE
Failure or disruption of a major financial mechanism or institution	TSY	
National Security Board (NSB)	Terrorist attack	DPMC
	Act of foreign interference or espionage targeting New Zealand	DPMC
	Technological disruption due to adoption or misuse of emerging, critical and sensitive technologies	DPMC
	Major cyber incident	DPMC & GCSB
	Armed conflict	DPMC, MFAT & MOD
	Major threat to Pacific Regional Stability	MFAT
	Deliberate interference, disruption or destruction of space assets, infrastructure or services upon which New Zealand rely	NZDF, MOD & MBIE
	(Maritime) mass arrival	MBIE & Customs

¹ Risk-coordinating agencies are responsible for working with DPMC to provide coordinated cross-agency advice to the relevant Board on strategic risk management gaps through the activities outlined in the National Risk and Resilience Framework. "Risk-coordinating agency" is not a statutory role and is distinct from the Lead Agency role under the National Civil Defence Emergency Management Plan Order 2015. Risk-coordinating agencies are those that are best placed to coordinate cross-government strategic advice for a particular National Risk. Other agencies may also have relevant levers, roles and responsibilities for managing the Risk.

National Risks		Interim risk-coordinating agency(s)
	Major maritime security incident	MOT
	Transnational organised criminal activity	Police & Customs
	Violent protest or public disorder event	Police
Jointly governed	Major trade disruption	TSY, MFAT & MPI
	Significant disruption or failure of critical infrastructure (Water, Transport, Telecommunications, or Energy)	DPMC & DIA, MOT or MBIE

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Cabinet

Minute of Decision

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

Report of the Cabinet Business Committee: Period Ended 29 November 2024

On 2 December 2024, Cabinet made the following decisions on the work of the Cabinet Business Committee for the period ended 29 November 2024:

CBC-24-MIN-0112 **National Risk and Resilience**
Portfolio: Prime Minister

CONFIRMED

Out of scope



Out of scope



Rachel Hayward
Secretary of the Cabinet

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Cabinet Business Committee

Minute of Decision

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National Risk and Resilience

Portfolio **Prime Minister**

On 25 November 2024, the Cabinet Business Committee:

- 1 **approved** the National Risk and Resilience Framework, attached as Annex A to the paper under CBC-24-SUB-0112, led by the Department of the Prime Minister and Cabinet (DPMC), to drive a more strategic, proactive approach to managing national risks;
- 2 **invited** the Prime Minister to report back to Cabinet annually on the status, effectiveness, and cost-effectiveness of national risk management and resilience-building efforts, and strategic opportunities to reduce risk and build resilience;
- 3 **agreed** that the National Risk and Resilience Framework will be used to provide Ministers with greater visibility of how relevant workstreams on the Government’s agenda relate to each other to achieve the Government’s objective to reduce New Zealand’s exposure to the harm and cost of crises;
- 4 **directed** officials to work with DPMC to implement the National Risk and Resilience Framework, including providing information that supports monitoring and development of advice for reporting back to Cabinet;
- 5 **noted:**
 - 5.1 the list of New Zealand’s National Risks and interim risk-coordinating agencies, attached as Annex B to the paper under CBC-24-SUB-0112;
 - 5.2 that the Prime Minister has asked DPMC to provide him with recommendations on roles and responsibilities across the national resilience system.

Jenny Vickers
Committee Secretary

Attendance: (see over)

Present:

Rt Hon Christopher Luxon (Chair)
Hon David Seymour
Hon Brooke van Velden
Hon Shane Jones
Hon Dr Shane Reti
Hon Simeon Brown
Hon Erica Stanford
Hon Judith Collins KC
Hon Todd McClay
Hon Matt Doocoy

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet

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