



16 April 2025



Ref: OIA-2024/25-0655

Dear

Official Information Act request relating to various documents regarding critical infrastructure and resilience

Thank you for your Official Information Act 1982 (the Act) request received on 13 February 2025. You requested:

[Email 2] PS To add to refine this OIA

seeks to know the advice and work going on is primarily around TWO areas of risk - natural hazard risks, and cyber security risks. Pls therefore apply our requests below to information that is focused on these two.

Where the documents requested cover other risks, too, as they are wont to do, pls include that info and do not redact.

[Email 1] Thanks for the info below

Pls consider which unit or part of DPMC (or other agency) the parts of this request best apply to, so that any responses includes – though is not necessarily limited to - information from that unit. Pls release to in fully searchable and copyable format:

- *From each a list of titles of all briefings, advisories etc to Minister/s re critical infrastructure problems or resilience work in the last 6 month*
- *Copies of the last 3 such briefings from the National Hazards Board (or the unit most relevant to this work) that focus on critical infrastructure failure, disruption and any work around those to the relevant Minister/s. Pls consider all info in the briefings in scope*
- *Copies of the last 3 briefings that focus on strengthening the resilience of New Zealand's critical national infrastructure to the relevant Minister/s.*
- *Copies of any BIMs in the last year that relate to critical national infrastructure failure, resilience, legislation, regulation.*

The time frame for responding to your request was extended under section 15A of the Act by 31 working days because it necessitated a search through a large quantity of information, across multiple business units and consultations with a number of agencies before a decision could be made on the request.

On 28 March 2025 you received a Tranche 1 response which covered 'a list of titles of all briefings, advisories etc to Minister/s re critical infrastructure problems or resilience work in the last 6 months'.

Following the extension, I am now in a position to respond to the remainder of your request.

Strengthening critical infrastructure resilience

In responding to your request, I thought it would be useful to provide some context as relates to critical infrastructure resilience and how we are approaching this work.

In December 2024, Cabinet agreed a National Risk and Resilience Framework. The intent is to ensure that government is being strategic and proactive in efforts to manage risks and build resilience to the biggest hazards and national security threats that could potentially derail us as a country. This work aligns with the Government's focus on driving economic growth and protecting New Zealand's safety and future prosperity.

As outlined in the paper ([Proactive Release CAB-24-SUB-0471: National Risk and Resilience - February 2025 - Department of the Prime Minister and Cabinet](#)) "Significant disruption or failure of critical infrastructure (Water, Transport, Telecommunications, or Energy)" is one of 33 National Risks on the National Risk Register¹. These risks are jointly overseen and governed by the National Hazards Board and the National Security Board.

At the end of last year, the work programme to enhance critical infrastructure resilience being led by DPMC was reshaped to focus on cyber risk, as part of this broader approach. This reflects the need to support critical infrastructure entities to collectively understand and address cyber risks at a time when cyber threats are escalating. Focussing on cyber risks as one of our most substantive national security risks also reflects our position that any government intervention must be targeted and proportional to the level of risk we face.

The refocus doesn't mean there will be no further work done to address risks and build resilience in broader Critical Infrastructure sectors. Rather, the work will be picked up across the relevant risks in the National Risk and Resilience Framework and other workstreams led by a range of other agencies.

Information being released

I have decided to release the relevant parts of the documents listed below, subject to information being withheld as noted.

Item	Date	Document description	Decision
1	24 July 2024	Aide – Memoire: Critical Infrastructure Resilience – materials for ECO and public engagement. (Which includes attachments A-J).	Release with some information withheld under s6(b)(i), s9(2)(a), s9(2)(f)(iv), s9(2)(g)(i)
2	11 September 2024	Briefing: Options to progress work on critical infrastructure resilience	Release with some information withheld under s9(2)(a), s9(2)(f)(iv), s9(2)(g)(i)
3	16 October 2024	Cover Sheet for NHB Item 3 - Coordinating Cross-System Resilience Initiatives	Release with some information withheld under s9(2)(a), s9(2)(f)(iv), s9(2)(g)(i)
4	October 2024	Item 3a -National Hazards System Initiatives	Release with some information withheld under s9(2)(f)(iv)

¹ [New Zealand's National Risks | Department of the Prime Minister and Cabinet \(DPMC\)](#)

5	October 2024	Item 3b -Natural hazard focused initiatives being progressed to improve risk management in light of climate change	Release with some information withheld under s9(2)(f)(iv)
6	11 December 2024	Out-of-Session: Strengthening New Zealand's resilience to space weather	Release with some information withheld under s6(a), s9(2)(f)(iv), s9(2)(g)(i)
7	19 December 2024	Briefing: Reshaping work on regulations to improve the security and resilience of critical infrastructure	Release with some information withheld under s9(2)(a), s9(2)(f)(iv), s9(2)(g)(i)

The relevant grounds of the Act which information has been withheld are:

- s6(b)(i), to protect the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- s9(2)(a), to protect the privacy of individuals
- s9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials
- s9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion.

In addition, please note:

- In relation to item 4, document titled '*National Hazards System Initiatives*' - the initiative listed within titled '*Emergency Management System Improvement Project*' is now overseen by the National Emergency Management Agency which is an agency hosted by the Department of the Prime Minister and Cabinet.
- In relation to item 5, there were presenter notes within the PowerPoint presentation which I have provided below:

Note: this highlights current work being progressed which connects to / touches on risk management – it is not exhaustive, nor reflective of the existing system. It also is not intended to provide comment on whether these initiatives, in combination with existing ones, lead to a robust risk management system.

Information to be withheld

There is information covered by your request that I have decided to withhold in full as set out below:

- Attachments B, C and J of the document titled '*Aide – Memoire: Critical Infrastructure Resilience – materials for ECO and public engagement*' are withheld in full under section 9(2)(f)(iv) of the Act, to maintain the confidentiality of advice tendered by or to Ministers and officials.
- Attachments D, E, F, G, H and I of the same aide-memoire are withheld in full under section 9(2)(g)(i) of the Act, to maintain the effective conduct of public affairs through the free and frank expression of opinion.
- Item 3c which is a part of the document titled '*Cover Sheet for NHB Item 3 - Coordinating Cross-System Resilience Initiatives*' is withheld in full under section s9(2)(f)(iv) of the Act, to maintain the confidentiality of advice tendered by or to Ministers and officials.

In making my decision, I have considered the public interest considerations in section 9(1) of the Act. No public interest has been identified that would be sufficient to outweigh the reasons for withholding that information.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on the Department of the Prime Minister and Cabinet's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



Sean Bolton
Executive Director
Risk and Systems Governance Group



Aide-Mémoire

Critical Infrastructure Resilience – materials for ECO and public engagement

To:	Hon Chris Bishop, Minister for Infrastructure		
From:	Bridget White Executive Director, National Security Group	Date:	24/07/2024
Briefing Number:	DPMC-2024/25-70	Security Level:	IN-CONFIDENCE UNCLASSIFIED

Purpose

1. On Friday 12 July, your office commenced Ministerial consultation on a Cabinet paper seeking agreement to release the discussion document “Options to strengthen the resilience and security of New Zealand’s critical infrastructure system” for public consultation. This consultation closed on 23 July 2024.
2. To support you in taking this paper to Cabinet Economic Policy Committee (ECO) on 31 July 2024, this aide-mémoire provides you with:
 - a summary of the key feedback and changes made to the Cabinet paper and supporting appendices since Ministerial consultation commenced (as well as the final documents for lodgement), and
 - documents to support you and your office at ECO and during public consultation, if Cabinet endorses this work.

Feedback and changes to the Cabinet paper and discussion document

3. Your colleagues provided s9(2)(g)(i) feedback on the Cabinet paper and associated documents during Ministerial consultation, s9(2)(g)(i)
4. s9(2)(g)(i)
5. s9(2)(g)(i)
6. Neither of these comments necessitated changes to the Cabinet paper.

Aide Mémoire: Critical Infrastructure Resilience – materials for ECO and public engagement	DPMC-2024/25-70
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7. Separately, during the Ministerial consultation period, DPMC has made minor and technical changes to the Cabinet paper and discussion document to improve accuracy and readability.
8. These changes largely respond to feedback received from our Regulatory Impact Analysis panel to ensure we meet the government expectations for good regulatory practice. The RIA panel has confirmed that the document meets all requirements of the RIA.

s9(2)(f)(iv)

12. The documents proposed for lodgement are attached. This includes the Cabinet Paper (Attachment A) and Discussion Document and Summary Discussion Document (Attachments B and C, respectively).

Supporting you and your office at ECO and during consultation

13. This section describes the documents we have prepared to support you and your office at ECO and during any subsequent public consultation period.
14. There is an opportunity to discuss these materials and any additional support you may require with officials at your regular meeting on Monday 29 July. Officials will also be available to support you with any technical questions at ECO on 31 July.
15. Finally, during the first round of consultation in 2023, the then-Government tasked DPMC with briefing all parties of Parliament on this work programme (you received a briefing as the then Opposition Infrastructure spokesperson, alongside now Minister Penk). Cross-party support will be important to the overall credibility and longevity of any eventual regime and we are therefore available to conduct similar briefings to support you this year.

ECO meeting on 31 July

16. If you are satisfied with the Cabinet paper and discussion document, DPMC will work with your Office to lodge the finalised Cabinet paper and relevant appendices by 10am Thursday 25 July (tomorrow), for consideration by ECO on Wednesday 31 July.
17. To support you at ECO, we have attached talking points (Attachment D) and questions and answers (Attachment E).

Public consultation

18. Subject to Cabinet agreement, DPMC intends to conduct public consultation over eight weeks from Tuesday 7 August – Wednesday 2 October 2024. This will support in-person and virtual meetings across the country with asset owners and communities.
19. A draft press release (Attachment F) and suggested media lines (Attachment G) is provided to support your announcement of public consultation.
20. Following any announcement, DPMC will post material on our webpage to support the consultation process. For your awareness, this includes:

- s9(2)(g)(i)

s9(2)(g)(i)

21. These materials are also attached (H, I and J) and will be subject to minor graphical and other amendments prior to being uploaded.

Attachments:	
Documents for ECO and Cabinet	
Attachment A:	Attachment A – Updated Cabinet paper
Attachment B:	Attachment B – Updated discussion document
Attachment C:	Attachment C – Updated summary discussion document
Documents to support you at ECO and Cabinet	
Attachment D:	Attachment D – Talking points to support ECO
Attachment E:	Attachment E – Question and Answers to support ECO
Documents to support public consultation (if endorsed by Cabinet)	
Attachment F:	Attachment F – Draft press release
Attachment G:	Attachment G – Suggested media lines
Attachment H:	Attachment H – Website text
Attachment I:	Attachment I – Website frequently asked questions
Attachment J:	Attachment J – Supplementary document: proposed critical infrastructure thresholds

Contact for telephone discussion			
Name	Position	Telephone	1st contact
Bridget White	Executive Director, National Security Group	s9(2)(a)	
s9(2)(a)	Project Director, Critical Infrastructure Resilience	s9(2)(a)	✓
s9(2)(a)	Senior Policy Advisor, Critical Infrastructure Resilience	s9(2)(a)	

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In Confidence

Office of the Minister for Infrastructure

Cabinet Economic Policy Committee

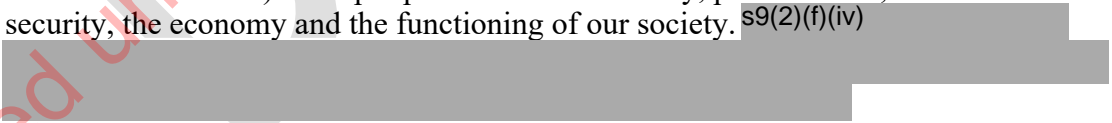
Enhancing New Zealand's critical infrastructure resilience – release of discussion document**Proposal**

- 1 This paper seeks agreement to release the discussion document '*Options to strengthen the resilience and security of New Zealand's critical infrastructure system*'.
- 2 Release of this discussion document will support the second round of public consultation on how to ensure our critical infrastructure is more resilient in the face of increasing hazards and threats. The first round of consultation in 2023 confirmed that New Zealanders want more to be done to increase the resilience of our critical infrastructure. The focus of this consultation will be on specific reform options to achieve that.

Relation to government priorities

- 3 In April 2024, Cabinet noted that strengthening the resilience and asset management of critical infrastructure is one of my six infrastructure priorities to get the infrastructure system back on track [ECO-24-MIN-0048 refers]. Work to ensure that our critical infrastructure is resilient in the face of increasing hazards and threats (including national security threats) will help to drive high-quality infrastructure – a key enabler of productivity and economic growth.

Executive Summary

- 4 Essential services provided by infrastructure (like electricity, water, transport, and telecommunications) underpin public order and safety, public health, national security, the economy and the functioning of our society. s9(2)(f)(iv)

- 5 New Zealanders are experiencing disruptions to critical infrastructure regularly. These failures are particularly acute within our public infrastructure. Deep interconnections between infrastructure assets also mean that a disruption to one asset can quickly spread across the infrastructure system creating cascading outages. This discussion document proposes reform options to address this.
- 6 Disruptions to infrastructure have material consequences for New Zealand's productivity, put lives at risk, and adversely impact livelihoods. For example:
 - 6.1 power outages during Cyclone Gabrielle meant that 225,000 homes were without electricity, some for more than 10 days,

IN-CONFIDENCE UNCLASSIFIED

- 6.2 the closure of State Highway 1 through the Brynderwyn Hills over several months following Cyclone Gabrielle has been estimated at costing the region just under \$2 million every day, and
- 6.3 damage to public infrastructure (including bridges and water assets) from the 2023 North Island severe weather events has been costed at roughly \$7 billion.
- 7 Infrastructure failures are also costly to the Crown, as government often ends up as the insurer of last resort, helping fund the restoration of many essential services and infrastructure repairs after disruption.
- 8 The pressure on our critical infrastructure is set to grow, as a result of climate change and increasing national security threats. Without change, the frequency and impact of infrastructure failure will only get worse. The Crown's annual contingent liability for natural hazards alone has been estimated to reach \$3.3 billion per annum by 2050.
- 9 s9(2)(g)(i)
- s9(2)(g)(i)
- 10 The Infrastructure Commission has found that \$6 in every \$10 invested in infrastructure should be directed at maintenance and renewals – instead across the public and private sectors investment has not kept pace with depreciation.
- 11 s9(2)(g)(i)
- 12 There have been longstanding calls for a better approach. New Zealand's first Infrastructure Strategy recommended a consistent and coordinated approach to lift the resilience of our critical infrastructure system to a common baseline. The previous Government agreed to this recommendation in September 2022 [CAB-22-MIN-0362 refers], s9(2)(g)(i)
- 13 Work to improve the resilience of New Zealand's critical infrastructure is also consistent with the global trend, with Australia, the European Union, USA, UK, Canada, and NATO all progressing reforms in this area.

¹ OECD, 2019, 'Good Governance for Critical Infrastructure Resilience', p. 40.

² Chung, J., 2018, 'Critical Infrastructure, Cyber Security and Market Failure', pp. 452-458

14 s9(2)(g)(i)

15 s9(2)(g)(i), I propose that we undertake a second round of public consultation on options to strengthen New Zealand's critical infrastructure by incentivising proportionate investment in resilience, thereby reducing overall costs borne by taxpayers and the economy more broadly from costly infrastructure failures.

16 s9(2)(f)(iv)

17 Delivering a more resilient infrastructure system s9(2)(g)(i)
 The proposed options s9(2)(f)(iv) aim to drive a consistent approach to risk management across our critical infrastructure system through:

s9(2)(f)(iv)

18 Following consultation I will report back in March 2025 on whether to proceed and, if so, seek agreement to the design and operation of the regime.

Background

New Zealand's infrastructure is not resilient enough

19 New Zealanders are experiencing disruptions to publicly and privately owned critical infrastructure regularly, in part due to a failure to maintain our infrastructure. Six in every ten dollars spent on infrastructure should be dedicated to ongoing maintenance, but in key sectors, including water and transport, maintenance expenditure has not even kept pace with depreciation. New Zealand currently ranks in the bottom quarter

of OECD countries for asset management and last out of 31 countries in accountability and professionalism in asset management.

- 20 These disruptions to our infrastructure will become more frequent and severe with the impacts of climate change and growing national security threats, but are already affecting New Zealand's productivity and citizens' lives and livelihoods. Our rail, water, and energy networks are regularly disrupted by seasonal weather changes that are well understood and can be well planned for. At the more extreme end, in January 2023, flooding and landslides resulting from the North Island severe weather events led to cascading infrastructure failures disrupting power and telecommunications, emergency services, payments systems and ultimately access to critical goods, with recovery costs estimated at almost \$7 billion.

21 s9(2)(g)(i)

- 22 Further, the government often acts as the insurer of last resort, with central government bearing significant costs to provide emergency response and repair infrastructure failures. Without change, the Crown's annual contingent liability for natural hazards alone has been estimated to reach \$3.3 billion per annum by 2050.

Existing settings fail to incentivise investment in infrastructure resilience

- 23 Market and political forces alone will not deliver the level of resilience required. Many essential services are delivered by monopoly providers with no ability for consumers to choose a more 'resilient' option. s9(2)(g)(i)
- . Where there is a choice in provider, no information is available for consumers to assess their resilience, meaning there is little incentive for infrastructure owners to pay for a 'socially optimal' level of resilience. s9(2)(g)(i)

- 24 Further, existing regulatory settings were not designed to regulate for resilience across the suite of hazards and threats that can disrupt the delivery of essential services. s9(2)(g)(i)

Lack of resilience in our critical infrastructure system has consistently been acknowledged

- 25 For many years, there have been calls for a more resilient critical infrastructure system, including through the Infrastructure Strategy, National Adaptation Plan, National Disaster Resilience Strategy, National Security Strategy, and most recently, the Government Inquiry into the Response to the North Island Severe Weather Events. The need for improved resilience is also recognised in our climate change priorities [CAB-24-MIN-0195 refers].

26 The previous Government agreed in 2022 to commence a programme of work to enhance the resilience of New Zealand's critical infrastructure against all hazards and threats, including cyber and foreign interference risks [CAB-22-MIN-0362 refers]. This work became a high priority following the 2023 North Island severe weather events, with Cabinet agreeing to progress legislation to enhance critical infrastructure resilience [ERS-23-MIN-0025 refers].

27 s9(2)(g)(i)

28 s9(2)(g)(i)

Smarter investment in resilience can reduce overall costs to the country

29 s9(2)(g)(i)

30 Driving a shift away from bearing the costs of response and recovery towards greater investment in resilience will also:

30.1 be much cheaper in the long run, with investments in resilience delivering up to a 12:1 return in some sectors,³

30.2 reduce Crown exposure to increasing response and recovery costs, and

30.3 result in costs being more transparent and fairly distributed across the beneficiaries of resilient infrastructure.

31 s6(b), which showed the benefits of disruptions avoided or mitigated by the implementation of a risk management programme far exceed the costs of implementation.

Consultation on proposals to enhance critical infrastructure resilience

32 s9(2)(g)(i)


33 s9(2)(g)(i), I propose that we undertake a second public consultation on options to drive New Zealand's critical infrastructure to a shared baseline level of

³ NZIER found that every \$1 invested in protection against floods, storms, earthquakes and fires, can avert up to \$12 in recovery costs post disaster. Clough, P and Gamperle, D, 2020. "Natural hazards Mitigation Report 2020", NZIER. Available at: [https://www.dia.govt.nz/diawebsite.nsf/Files/Central-Local-Government-Partnerships/\\$file/NZIER-Natural-hazards-mitigation-report-2020.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Central-Local-Government-Partnerships/$file/NZIER-Natural-hazards-mitigation-report-2020.pdf).

resilience. The discussion document and an associated summary discussion document can be found at Appendix One and Two respectively.


Critical infrastructure would be defined to lift the resilience of our most important assets

s9(2)(f)(iv)

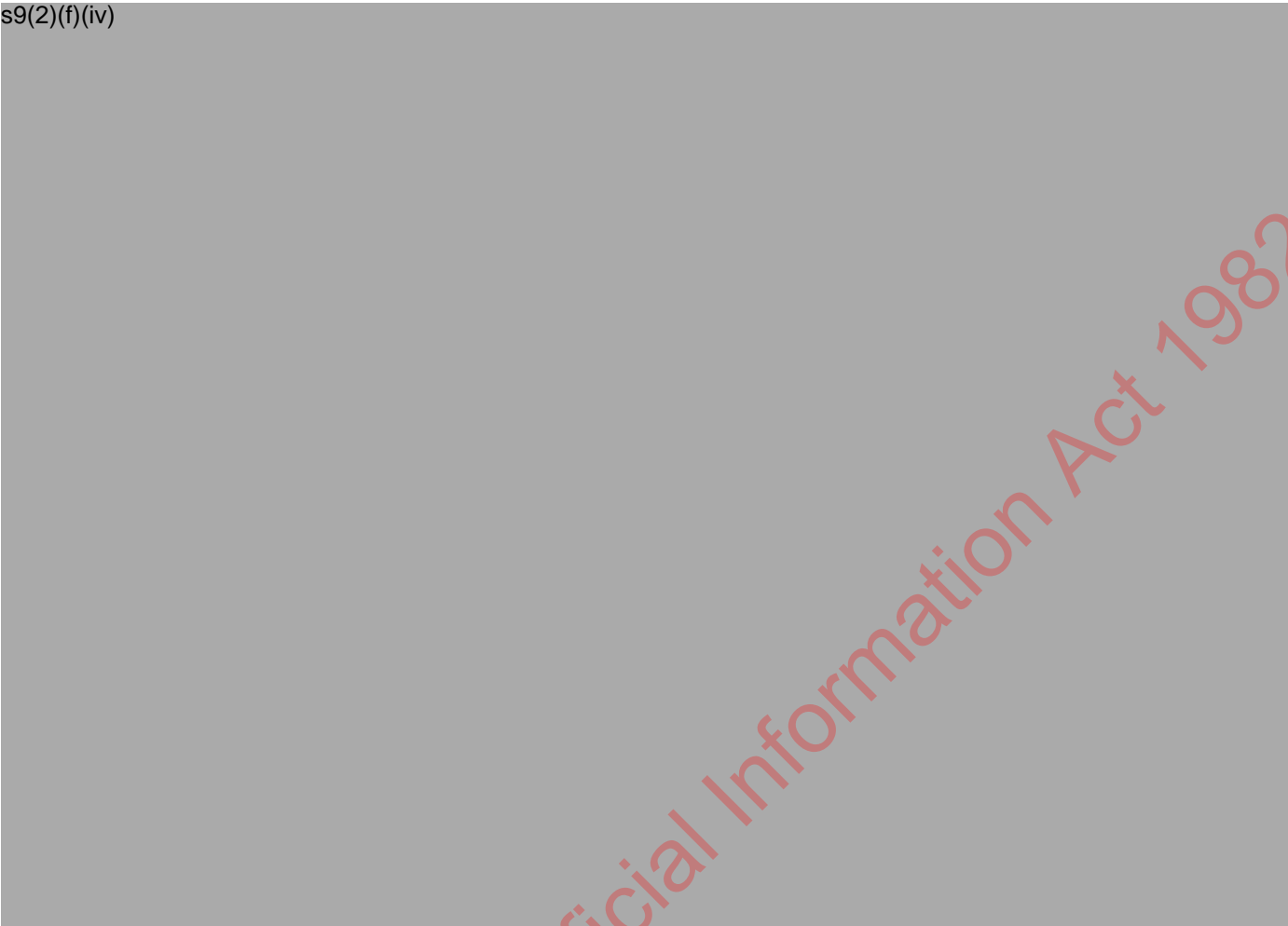


Proposed reform options are designed to be targeted, proportionate and industry-led


s9(2)(f)(iv)



s9(2)(f)(iv)



s9(2)(g)(i)



43 If we decided to proceed following consultation, s9(2)(g)(i)



Next steps following consultation

44 Through the consultation period, I am particularly seeking views on:

s9(2)(f)(iv)



45 Following public consultation on the options outlined in the discussion document, public feedback will be incorporated into a set of regulatory proposals.

⁵ The Cyber Defence Index 2022/2023 by MIT Technology Review. Available at: <https://www.technologyreview.com/2022/11/15/1063189/the-cyber-defense-index-2022-23/>

- 46 If Cabinet agrees to consult, I will report back in March 2025. I would make recommendations on whether to proceed, and if so, on the regulatory features of the new regime and the government agencies that would have regulatory responsibility and policy stewardship of this regime.

Cost-of-living Implications

47

s9(2)(g)(i)

48

Financial Implications

- 49 There are no immediate financial implications associated with these proposals.
s9(2)(f)(iv) and s9(2)(g)(i)

Legislative Implications

- 50 While there are no legislative implications arising directly from this paper, s9(2)(f)(iv) . Subject to Cabinet agreement, I will report back to Cabinet in March 2025 on the outcome of public consultation and whether to proceed with regulatory reform. s9(2)(f)(iv)

Impact Analysis

Regulatory Impact Statement

- 51 A regulatory impact assessment is not required at this stage. The discussion document incorporates elements of the regulatory impact assessment and an interim quality assurance panel have met to review this document. A full assessment will be prepared when policy decisions are sought in March 2025, including economic modelling.

Climate Implications of Policy Assessment

- 52 A Climate Implications of Policy Assessment is not required.

Population Implications

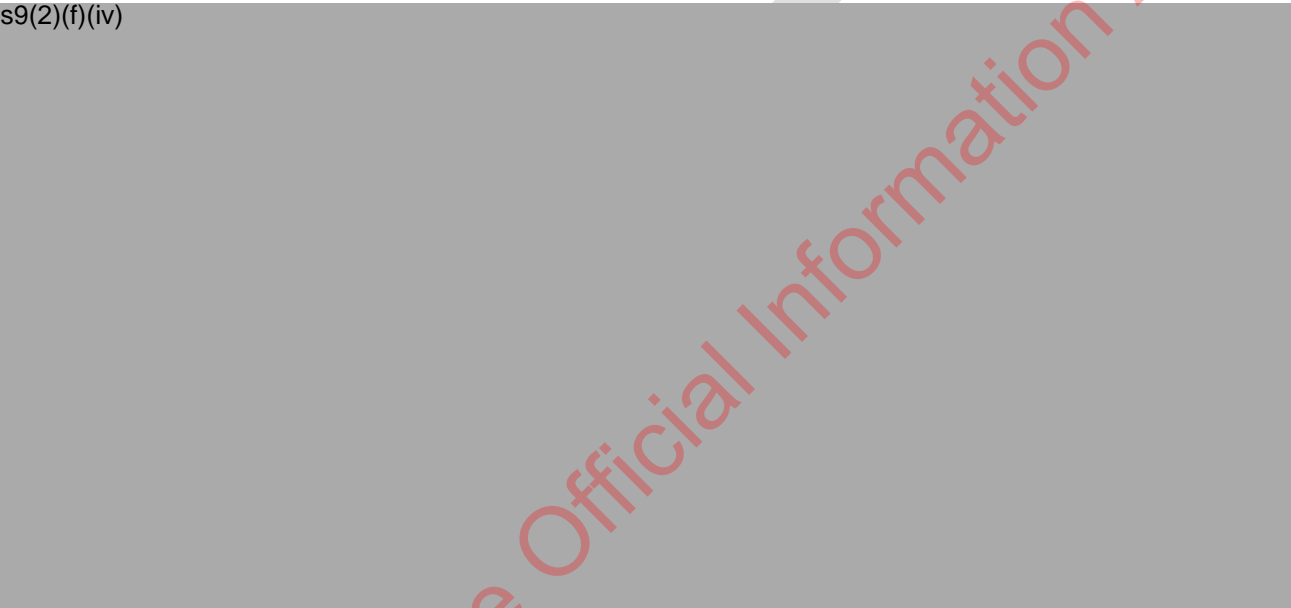
- 53 The topic being consulted on is likely to be of interest to people living with disability who may experience or feel disproportionate risk when disasters occur and infrastructure fails. The document would be published in an accessible format for the visually impaired, and officials will contact other groups serving people with disabilities to support these groups to fully contribute to the consultation.

Human Rights

- 54 This paper has no human rights implications.

Use of external resources

s9(2)(f)(iv)



Consultation

- 58 The National Security Group in the Department of the Prime Minister and Cabinet (DPMC) prepared this Cabinet paper and the attached discussion document. Agencies consulted include: Ministries of Business, Innovation and Employment; Culture and Heritage; Environment; Foreign Affairs and Trade; Health, Housing and Urban Development; Justice; Regulation; Transport; and the Accident Compensation Corporation; Civil Aviation Authority; Commerce Commission; Department of Internal Affairs; Electricity Authority; Financial Markets Authority; Land Information New Zealand; Maritime New Zealand; Government Communications Security Bureau; National Emergency Management Agency; New Zealand Defence Force; New Zealand Police; New Zealand Security Intelligence Service; New Zealand Transport Agency; Public Service Commission; Reserve Bank of New Zealand; Taumata Arowai (water regulator); Infrastructure Commission; Te Whatu Ora (Health New Zealand); and Treasury. DPMC's Policy Advisory Group was informed.
- 59 The discussion document has also been informed by targeted consultation with industry and local government reference groups convened by DPMC. s9(2)(g)(i)
- 

Communications

- 60 The discussion document will be made available on DPMC's website. s9(2)(g)(i), s9(2)(f)(iv)

- 61 s9(2)(f)(iv)

Proactive Release

- 62 I intend to proactively release this Cabinet paper at an appropriate time following Cabinet decisions, and within 30 days of the release of the discussion document.

Recommendations

The Minister for Infrastructure recommends that the Committee:

- 1 **note** that Cabinet agreed in 2022 to commence a programme of work to enhance the resilience of New Zealand's critical infrastructure against all hazards and threats, including cyber and foreign interference risks [CAB-22-MIN-0362 refers];
- 2 **note** that s9(2)(g)(i)
- 3 **agree** to the public release of the discussion document *Options to strengthen the resilience and security of New Zealand's critical infrastructure system*, which outlines proposals to drive a consistent approach to risk management for critical infrastructure;
- 4 **note** that these proposals respond directly to the recommendations in the Infrastructure Strategy, the National Security Strategy and the Government Inquiry into the North Island Severe Weather Events;
- 5 **authorise** the Minister for Infrastructure to approve minor amendments and refinements to the discussion document prior to public release;
- 6 **invite** the Minister for Infrastructure to report back to Cabinet in March 2025 with advice on whether to proceed and, if so, regulatory proposals to inform the drafting of a Bill to strengthen the resilience of New Zealand's critical infrastructure system.

Authorised for lodgement

Hon Chris Bishop
Minister for Infrastructure

ATTACHMENTS B, C & J WITHHELD UNDER s92f(iv)
ATTACHMENTS D,E,F,G,H,I WITHHELD UNDER s92g(i)



DEPARTMENT OF THE
PRIME MINISTER AND CABINET
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

Coversheet

Briefing: Options to progress work on critical infrastructure resilience

Date:	11/09/2024	Report No:	DPMC-2024/25-114
		Security Level:	IN-CONFIDENCE UNCLASSIFIED
		Priority level:	[Ordinary]

Action sought		Deadline
Hon Chris Bishop Minister for Infrastructure	Indicate your preferred approach to taking forward the work on critical infrastructure resilience.	

Name	Position	Telephone	1 st Contact
Bridget White	Executive Director, National Security Group	s9(2)(a)	
s9(2)(a)	Project Director, Critical Infrastructure Resilience	s9(2)(a)	✓

Departments/agencies consulted on Briefing
The Treasury, the Infrastructure Commission, the Ministry for the Environment, the Climate Inter-Departmental Executive Board Unit, the National Emergency Management Agency, the Government Communications Security Bureau, the Ministry of Housing and Urban Development, the Ministry of Transport, the Ministry of Business, Innovation and Enterprise, the Department of Internal Affairs.

Minister's Office

Status:

☐ Signed

☐ Withdrawn

Comment for agency

Attachments: Yes.

Briefing

Options to progress work on critical infrastructure resilience

To: Hon Chris Bishop
Minister for Infrastructure

Date 11 September 2024

Security Level

IN-CONFIDENCE UNCLASSIFIED

Purpose

1. This briefing responds to the feedback provided by Cabinet on the work to enhance critical infrastructure resilience. s9(2)(g)(i)

s.

Executive Summary

2. On 31 July, Cabinet's Economic Policy Committee considered your paper seeking approval to commence consultation on a set of measures to enhance the security and resilience of New Zealand's critical infrastructure system.
3. You withdrew the paper and Cabinet noted your intention to s9(2)(g)(i)
4. s9(2)(g)(i)
 - a. s9(2)(g)(i)
 - b. manage these risks in a cost-effective, targeted and proportionate way, s9(2)(f)(iv)
 - c. make better use of the infrastructure that we already have, recognising that approximately 80 per cent of the infrastructure we will have in 2050 already exists.

¹ s9(2)(g)(i)

5. New requirements to enhance critical infrastructure security and resilience would also complement the Government's efforts to streamline and facilitate investments in new infrastructure, in the right locations and at the right time, to meet the needs of a growing economy and population (e.g. resource management reform). s9(2)(g)(i)
- [REDACTED]

6. s9(2)(g)(i)
- [REDACTED]

7. s9(2)(f)(iv) and s9(2)(g)(i)
- [REDACTED]

8.

9.

10. If you wish to discuss this advice and next steps for the work programme, officials will be available at your regular Infrastructure portfolio meeting on 23 September.

Recommendations

We recommend you:

1. s9(2)(g)(i) YES / NO

OR

2. s9(2)(g)(i) YES / NO
- s9(2)(f)(iv) YES / NO

OR

3. s9(2)(g)(i) YES / NO

4. **Note** officials are available to discuss next steps in person at your discretion.
5. If you agree to recommendation 3, **agree** that DPMC prepare a letter to the Prime Minister informing him of your decision. YES / NO
6. **Agree** to refer this advice to the Minister of Finance and Prime Minister. YES / NO

Bridget White
Executive Director,
National Security Group

11 September 2024

Hon Chris Bishop
Minister for Infrastructure

...../...../.....

Background

11. On 31 July, Cabinet's Economic Policy Committee considered your paper seeking approval to commence consultation on measures to enhance the security and resilience of New Zealand's critical infrastructure system.

12. You withdrew the paper and Cabinet noted your intention to s9(2)(g)(i)

13. s9(2)(g)(i)

Additional detail on the recommended proposals for consultation

14. This section sets out s9(2)(g)(i)

Five well understood market failures make resilience a competitive disadvantage

15. There have been longstanding calls for government intervention to enhance the resilience of New Zealand's critical infrastructure system – including this year's Government Inquiry into the Response to the North Island Severe Weather Events and the Climate Change Commission's National Adaptation Plan Progress Report.

16. s9(2)(g)(i)

17.

18. s9(2)(g)(i) . New Zealand's infrastructure system performs in the bottom half of OECD countries, with poor asset management, maintenance and renewals a significant contributing factor.

19. Six dollars in every ten spent on infrastructure should be directed to maintenance and renewals, but in critical sectors spending has historically not kept pace with depreciation.³ s9(2)(g)(i) during a period in which the hazards and threats, including national security threats, to our critical infrastructure are sharply increasing.

² s9(2)(f)(iv)

³ New Zealand Infrastructure Commission Te Waihangā, 2024. "Build or maintain? New Zealand's infrastructure asset value, investment, and depreciation, 1990-2022". Available at: <https://media.umbraco.io/te-waihangā-30-year-strategy/djkmwtj4/build-or-maintain.pdf>

s9(2)(g)(i)

20. s9(2)(g)(i)

21. s9(2)(f)(iv)

22. The proposals are designed to keep costs of compliance as low as possible and avoid the gold-plating of assets. s9(2)(f)(iv)

23. To support entities in effectively and efficiently meeting these requirements (and consistent with OECD guidance⁴) s9(2)(g)(i)

a. s9(2)(f)(iv) and s9(2)(g)(i)

b.

c.

24. s9(2)(g)(i)

25. This balancing would also be informed by independent cost-benefit assessment.

26. International and domestic research consistently indicates that well-targeted investments in resilience will be cheaper in the long run than restoring and replacing infrastructure after events – even before accounting for the economic costs associated with unplanned disruptions to essential services. However, an independent cost-benefit assessment will best ensure that any final recommendations on regulatory design are tailored to the New Zealand context.⁵

⁴ OECD (2019), Good Governance for Critical Infrastructure Resilience, OECD Reviews of Risk Management Policies, OECD Publishing, Paris. Available at: <https://doi.org/10.1787/02f0e5a0-en>.

⁵ At a high level, we would procure economic modelling to compare the status quo costs of infrastructure failure for the economy against the net of compliance costs and all-of-economy savings associated with fewer infrastructure failures under different permutations of DPMC's policy proposals.

27. The draft discussion document sought s9(2)(f)(iv)

These proposals would also help you deliver on your priorities for the infrastructure system

28. New Zealand needs more from its infrastructure system, and this will require New Zealand to make:

- a. smart investments in new infrastructure in the right locations, at the right time, to meet the needs of a growing population and a productive, decarbonised economy,
- b. better use of the infrastructure that we already have – recognising that approximately 80 per cent of the infrastructure we will have at 2050 already exists.

29. The Government has already committed to a suite of policies that will help deliver on the first of these objectives. This includes policies to drive and facilitate investments in new infrastructure (including direct Crown investment), and changes to the planning system to reduce consenting processing times and encourage the development of new infrastructure away from high-risk locations.

30. s9(2)(g)(i)

31.

32.

33. s9(2)(f)(iv) and s9(2)(g)(i)

34. s9(2)(g)(i)

6

s9(2)(g)(i)

Table 1: Summary of programmes in progress and how they impact resilience

	Area off focus		Anticipated impact on resilience across the asset life cycle
	Asset Type	Risk Type	s9(2)(g)(i)
Resource Management Reform	New assets and major expansions of networks to support growth	Natural hazard risks	
Critical Infrastructure Resilience Programme	Critical Infrastructure	All hazards and threats	
CO(23)9: Investment Management and Asset Performance in Departments and Other Entities	Crown portfolio	All hazards and threats	
s9(2)(f)(iv), s9(2)(g)(i)			
Regional Infrastructure Fund	Regional assets: local government and privately held	Initial focus on flood risk but may expand over time.	s9(2)(g)(i)
s9(2)(f)(iv)	Protection and risk reduction assets ⁹	Natural hazard risks with initial focus on flood risk.	
s9(2)(f)(iv), s9(2)(g)(i)			

s9(2)(f)(iv)

s9(2)(g)(i)

⁹ For example, stopbanks, seawalls, and nature-based solutions.

Options for progressing this work programme

35. The proposals developed for consultation constitute a targeted and proportionate set of interventions to improve system resilience, but there are still significant choices to be made about how they are calibrated to balance resilience, regulatory burden and cost. Public consultation would support this calibration and inform any subsequent Cabinet deliberation.

36. s9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

37. s9(2)(g)(i) [REDACTED], officials have identified two ways that the discussion document could be further amended before resubmitting it to Cabinet. These could be adopted in isolation or together.

38. s9(2)(f)(iv) [REDACTED]
[REDACTED]

39. s9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]

b. s9(2)(f)(iv) [REDACTED]
[REDACTED]

40. These are set out as discrete options in Table 2 to help inform a broader discussion with you on the direction of this work, however exist on a continuum with a range of choices available between them.

41. All these options (and the different permutations that exist within and between them), however, would keep New Zealand on the path towards a more secure, resilient and better managed critical infrastructure system. s9(2)(g)(i) [REDACTED]
[REDACTED]

¹⁰ s9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

42. s9(2)(g)(i)

s9(2)(f)(iv)

43. There are, however, trade-offs for you to be aware of before directing the discussion document be amended s9(2)(f)(iv) and s9(2)(g)(i)

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

s9(2)(f)(iv)

s9(2)(g)(i)

s9(2)(g)(i)

Next steps

s9(2)(g)(i)

53. Officials will be available at your infrastructure portfolio meeting on Monday 23 September to discuss next steps with you, at your discretion.

Attachments:	Title	Security classification
Attachment A:	s9(2)(g)(i)	IN-CONFIDENCE
Attachment B:	How measures support the delivery of Government priorities	IN-CONFIDENCE UNCLASSIFIED

¹¹ s9(2)(g)(i)

s9(2)(g)(i)

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Attachment B: How measures support the delivery of Government priorities

1. This attachment summarises the programmes underway to deliver on your objectives to facilitate and streamline investment in new infrastructure and make better use of the infrastructure that we already have.
2. The Government has a significant programme of work underway to deliver on the first of these objectives. s9(2)(g)(i)

Efforts to drive smart investments in new infrastructure, in the right locations, at the right time will only affect a portion of the infrastructure system and manage a subset of risks

3. The Government has committed to a suite of policies that will drive and facilitate investments in new infrastructure. This includes significant direct Crown investment in priority infrastructure (including through the Regional Infrastructure Fund), establishing a 30-year National Infrastructure Plan and National Infrastructure Agency, and the development of innovative infrastructure funding and financing tools, including Regional Deals.
4. Changes to the planning system (including resource management reform and fast track consenting) will complement these policies. Reducing consenting processing times and encouraging new infrastructure away from high-risk locations will support long-term resilience.
5. s9(2)(g)(i)

Initiatives to improve the operation of assets will not lift performance of the critical infrastructure system as a whole

6. Government has some proposals to improve the way that existing assets are managed, but these only apply to a portion of the infrastructure system and a subset of the risks that the system faces. So far, the Government has:
 - a. updated Cabinet expectations on how Crown investments and assets are managed (see Cabinet Office Circular CO(23)9), which should improve how the Crown's asset base is managed but will not necessarily enhance its resilience,
 - b. s9(2)(f)(iv)
 - c. signalled an intention through the Climate Strategy and the development of an adaptation framework to improve the availability and quality of natural hazard information (but not require asset owners to take any additional steps to respond to this data).

7. s9(2)(g)(i)

s9(2)(g)(i)

The proposed resilience and security requirements will support the delivery of a range of other Government priorities

8. In addition to targeting the operational phase of the asset lifecycle, s9(2)(f)(iv) are also designed support the delivery of a range of other Government objectives. These are set out in Table B1.

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

Cover Sheet for NHB Item 3

Meeting Date 16 October 2024
Sponsoring Agency DPMC
Item Title Coordinating Cross-System Resilience Initiatives

Purpose

1. At the August National Hazards Board meeting, members discussed the number of related initiatives underway across government, s9(2)(g)(i)
2. s9(2)(f)(iv) and s9(2)(g)(i)

Proactively Building National Resilience and Driving System Assurance¹

3. The National Risk and Resilience Framework provides the strategic national-level mechanism through which the NHB and the National Security Board will oversee and govern National Risks. It will drive proactive and informed decision-making and preparation to build resilience across National Risks, with a focus on reducing risk and being better-prepared. This will be done by:
 - a. **identifying** the key causes and major consequences of the most serious hazards and threats facing New Zealand—our National Risks, and **priority actions**.
 - b. **preparing** to respond to and recover from the consequences of crises quickly and effectively; and
 - c. **reporting** to Ministers and other key decision-makers on the status and effectiveness of national risk management, and **driving** decisive impactful action.
4. There is a spectrum of significant policy initiatives (some of which are included in the attached A3s) which contribute to building resilience. Following anticipated agreement by Cabinet to the National Risk and Resilience Framework, as we move ahead with implementation, we will start to build a picture over the next 6-12 months of how these and other s9(2)(f)(iv) and s9(2)(g)(i)

Strategic Cross-System Initiatives

5. Currently, there are a number of cross-system initiatives which address aspects of National Hazards management and aim to build resilience, and new initiatives will come in future. These and other programmes span multiple agencies and multiple Ministerial

¹ Overview of the National Risk and Resilience Framework is current at the time of writing.

portfolios. The Adaptation Framework and Critical Infrastructure Resilience are two examples.

Adaptation Framework

6. Cabinet agreed in March 2024 to initiate work on developing an adaptation framework [CAB-24-MIN-0121 refers]. The Framework will set out the Government's approach to sharing the costs of adapting, and how overall cost to the country is minimised. There are four core workstreams within the Adaptation Framework:
 - a. principles for investment in risk reduction;
 - b. principles for cost-sharing pre-and-post-event (with a focus on approaches to financial assistance for residential property in areas of high and increasing hazard risk);
 - c. roles and responsibilities; and
 - d. risk and response information sharing (natural hazard risk data and information).

Critical Infrastructure Resilience

7. As presently scoped, this work programme would include a targeted and proportionate set of regulatory and non-regulatory interventions to imbed better asset and risk management practices across the critical infrastructure system.
8. s9(2)(f)(iv)

s9(2)(f)(iv) and s9(2)(g)(i)
9. As set out in the attached A3, this key requirement would be supported by:

s9(2)(f)(iv)

Coordination of initiatives

10. The attached A3s provide NHB with an overview of the known system-level work programmes across the 4Rs. *National Hazards System Initiatives*² describes key initiatives, their intent and immediate milestones. It shows the confluence of connected decisions through to mid-2025. *Natural Hazard Focused Initiatives* describes the relationship of key natural hazard initiatives and show that many are still in progress.
11. Together these A3s provide two lenses on the immediate initiatives, both highlight the many connections between programmes and identify that further strategic coordination could be beneficial.

² The intent is to maintain the National Hazards System Initiatives A3, in conjunction with the National Hazards Senior Officials Group, and append it to all future board packs for member's reference.

12. s9(2)(g)(i)

There is coordination at the Climate Change ministers and chief executives, for example, while the Climate Change Interagency Executive Board (CCIEB) provides governance over the National Adaptation Plan and the Emissions Reduction Plan – but work on adaptation has a broader ambit.

13. s9(2)(f)(iv)

Areas for discussion

14. The attached A3s identify key national hazards system initiatives currently underway. While chief executives and ministers are responsible for the individual programmes, the s9(2)(f)(iv) and s9(2)(g)(i)

s9(2)(f)(iv)

Recommendations

15. NHB is invited to:

- **Discuss** the alignment of key initiatives and any additional coordination actions recommended.

s9(2)(f)(iv)

Papers accompanying this cover sheet

- 3a – *National Hazards System Initiatives A3*
- 3b – *Natural Hazard Focused Initiatives A3*
- s9(2)(f)(iv)

Contact

- Sean Bolton – Executive Director, Risk and Systems Governance Group, DPMC
- Rosalind Plimmer – Director, Governance Directorate, RSGG, DPMC
- Katherine Wilson – General Manager, Adaptation, MfE
- s9(2)(a) – Project Director, Critical Infrastructure Resilience, DPMC

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National Hazards Board (NHB)

National Hazards System Initiatives

The government has prioritised better public services and has high expectations around the management and mitigation of risk.

A key priority of this government is to 'deliver public services so they are more efficient, effective and responsive to all who need and use them'.

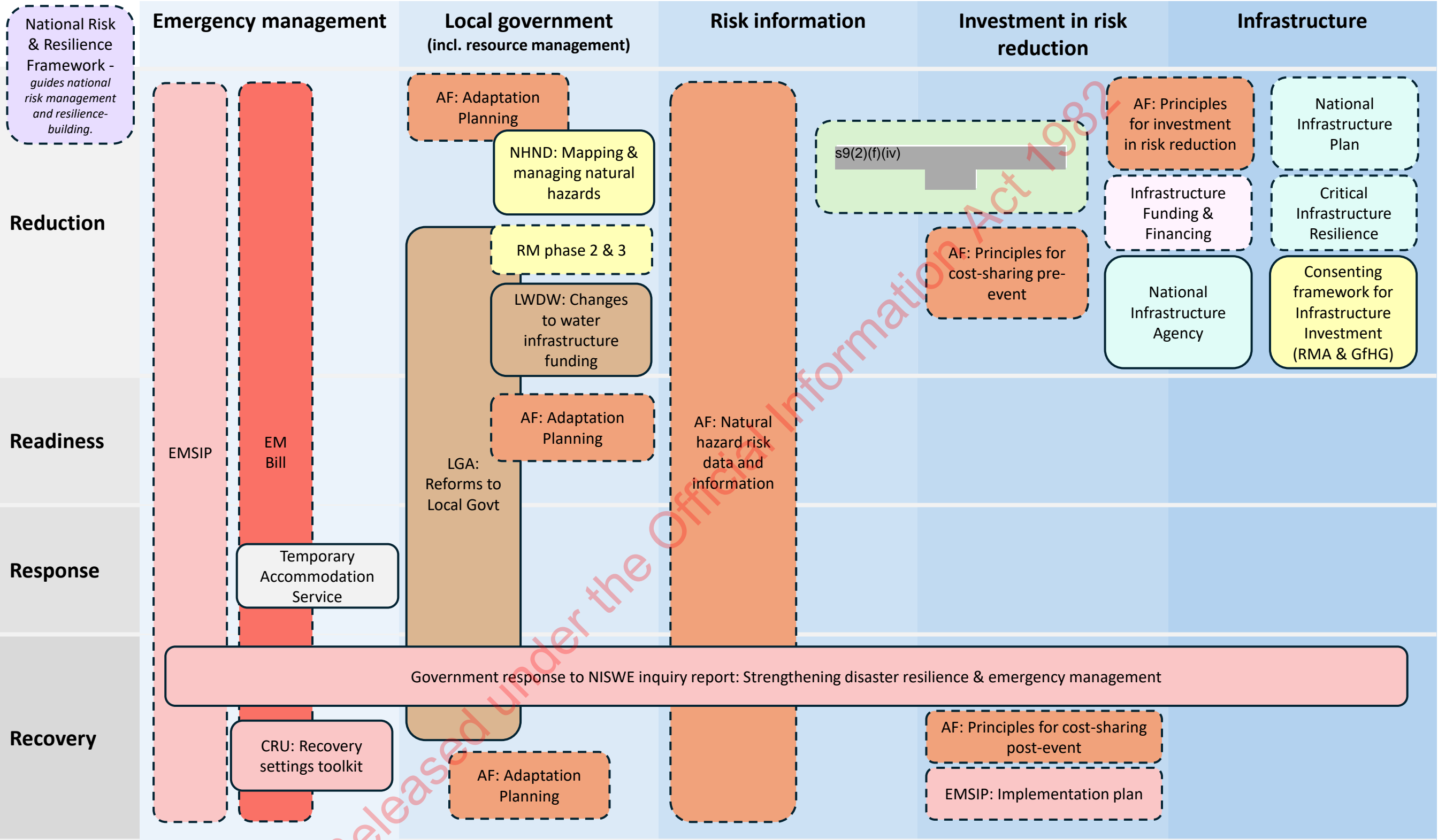
In response to the Prime Minister's direction, DPMC is strengthening stewardship of an all-hazard all-threats national resilience system, and the National Risk and Resilience Framework with a National Risk Register.

New Zealand's Hazard Context:

- New Zealand ranks second only to Bangladesh in expected financial losses from natural disasters relative to GDP.
- Growing concern: 80% of New Zealanders believe the world is now a more dangerous place.
- 92% of New Zealanders worry about severe weather, 88% about major earthquakes, and 78% about emerging technology risks.
- 40-50% of New Zealanders have only moderate confidence in the government's ability to protect and respond effectively.

Initiative (agency)	Changes to hazard system roles and responsibilities	Changes to institutional arrangements e.g., funding mechanisms, system architecture	Legislative changes	Previous decisions	Current quarter	Next quarter
National Risk and Resilience Framework* (DPMC)	Sets out roles and key actions for NHB/NSB, DPMC and agencies in a proactive approach to national risk management and resilience-building.	Articulates the National Resilience System (including its architecture).	✗	-	CABINET DECISIONS (approval)	-
Adaptation Framework (MfE)	Clarifying central and local government roles and responsibilities around risk reduction, adaptation planning and responses for natural hazard risk.	Principles for Central Government investment and cost-sharing with Local Government	✓	-	CABINET DECISIONS (government response to FEC report)	-
National direction on natural hazards (MfE)	Direction to councils on mapping and managing natural hazards through the planning process.	No	✓	-	-	CABINET DECISION (policy)
s9(2)(f)(iv)						
Critical Infrastructure Resilience* (DPMC)	s9(2)(f)(iv)					
Emergency Management System Improvement Project* (DPMC)	Implications for EM roles and responsibilities of Central Government, Local Government, communities, and private sector	Improvements to enable the different parts of the EM system to work better together and support local government delivery	✓	CABINET DECISIONS	CABINET DECISIONS (government response)	-
Emergency Management Bill* (NEMA)	Sets out roles and responsibilities across EM system at all levels.	Sets the legal framework within which New Zealand can prepare for, deal with, and recover from local, regional and national emergencies.	✓	PREVIOUS BILL DISCHARGED	-	CABINET DECISIONS (policy)
Local Government Act Amendments (DIA)	Changes to Local Government's purpose, including focus on 4Rs	Changes to local government funding mechanisms e.g. revenue cap on non-core expenditure	✓	CABINET DECISIONS (announcements)	-	BILL INTRODUCED
Local Water Done Well (DIA)	None	Changes to funding of water infrastructure	✓	BILLS INTRODUCED	FINAL BILL INTRODUCED	-
Cyclone Recovery Unit – Recovery Settings (DPMC)	None	Provides toolkit for recovery decision-making post-event	✗	-	CABINET DECISIONS (consultation)	-
National Adaptation Plan (MfE)	The NAP covers a six-year period (2022-2028), and includes policies, plans and proposals across government that support resilience, risk reduction and building adaptive capacity in response to the climate risks identified by the National Climate Change Risk Assessment (NCCRA) 2020. The development of a second NAP will start in 2026.		✗	-	CABINET DECISIONS (government response to CCC report)	-

*Also has relevance to the National Security System



Note: New Zealand's [National Adaptation Plan](#) sets out the detailed plan for addressing the most significant climate change risks identified in the [National Climate Change Risk Assessment](#)

Key	Status of work (scope)	Key	Lead Agency, Minister	Key	Lead Agency, Minister	Key	Lead Agency, Minister
---	In-development		DPMC – Minister for Emergency Management & Recovery		MfE – Minister of Climate Change		TSY, Minister of Finance
—	Confirmed		DPMC, TSY, Infrastructure Commission – Minister for Infrastructure		DPMC – Prime Minister		MfE – Minister for RMA Reform
			TSY, DIA, HUD – Minister for Infrastructure, Minister of Housing & Urban Development, Minister of Local Government		DIA – Minister of Local Government		NEMA – Minister for Emergency Management & Recovery

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Out-of-Session

Date 11 December 2024

Sponsoring Agency DPMC (with support from NEMA and MBIE)

Item Title Strengthening New Zealand's resilience to space weather

Purpose

1. This paper outlines work underway to strengthen New Zealand's resilience to an extreme space weather event and confirms the next steps to s9(2)(g)(i)

s9(2)(g)(i)

Recommendations

2. The Board is invited to:
 - a. **Note** that agencies and sectors are working to strengthen our national resilience to space weather (as per Annex A), s9(2)(g)(i)

s9(2)(g)(i)

Executive Summary

3. An extreme space weather event would likely cause significant social, public safety, and economic impacts for New Zealand. We have entered the solar maximum period and should expect heightened space weather activity over the coming years, with greater probability of extreme events and minimal-to-no warning time.
4. Work is underway to strengthen our resilience to space weather, however, s9(2)(g)(i)

Background

5. Cabinet has agreed to take a more strategic, proactive approach to national risk management (CBC-24-MIN-0112). A space weather event is one of New Zealand's National Risks, governed by the Board. Following the Board's direction in May, DPMC has led the development of strategic advice on space weather with support from interim risk-coordinating agencies NEMA and MBIE. This paper follows the Board's discussion in July on the likely implications of an extreme space weather event for New Zealand.¹

An extreme space weather event will have significant (and enduring) global, national and local implications

6. While our increasing use of space-based services and infrastructure and the proposed 'electrification' of New Zealand is important for our advancement and economic growth; it increases our exposure and vulnerability to an extreme space weather event.² The specific implications for New Zealand of an extreme space weather event are highly uncertain, however, we can expect cascading disruptions across our critical infrastructure and essential services for days to weeks (or potentially longer), with significant social, public safety, and economic impacts.
7. **We are now in the solar maximum period and can expect heightened space weather activity – with greater probability of extreme events – in the next few years.**³ There would be **minimal-to-no warning time**; with as little as 12 hours' notice for some phenomena (i.e., Coronal Mass Ejections, which can most notably damage the national electricity grid), while others (i.e., solar flares, which can disrupt communications) can reach earth in just eight minutes.⁴

Work is underway to strengthen our resilience to space weather, s9(2)(g)(i)

8. For New Zealand to be more resilient to space weather, it is critical that we proactively reduce risk where possible (i.e., by minimising potential impacts) and increase national preparedness. A number of workstreams are underway (see **Annex A**), including early steps to address some of the knowledge gaps highlighted to the Board in July. In the

¹ NHB 24-07-30 – Item 3 refers.

² <https://www.beehive.govt.nz/release/next-steps-electrifying-new-zealand>

³ <https://svs.gsfc.nasa.gov/14683/>; The sun's solar maximum period represents peak solar activity and a greater probability of space weather events. While these events are more frequent near the solar maximum and the downward phase, they can occur at any point in the solar cycle.


⁴ We may only be able to confirm the severity of this phenomena as late as 20 minutes pre-impact.

context of this broader work, s9(2)(g)(i)

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

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




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

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



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

s9(2)(f)(iv)

Looking ahead

s9(2)(f)(iv)

28. NEMA and MBIE, as interim risk-coordinating agencies for space weather, will continue to work with DPMC to escalate issues to the Board as required. The Board may wish to consider how it wants to stay informed of system work on space weather, s9(2)(g)(i)

¹² As per the 2024 National Risks Public Survey, available here: <https://www.dPMC.govt.nz/sites/default/files/2024-09/2024-National-Risks-Public-Survey-Significant-Hazards.pdf>

Annex A:

Overview of lines of effort underway (not exhaustive)

1. **NEMA**—as Lead Agency for a space weather event response—has publicly released the finalised New Zealand Space Weather Response Plan. The plan was developed in consultation with key stakeholders across government, industry, iwi Māori and academia, and will support the coordination of the immediate All-of-Government response to a significant space weather event. NEMA is also coordinating a series of space weather briefings, including to CDEM Groups.
2. **NEMA and MBIE** continue to:
 - a. Build awareness of space weather and its impacts with key stakeholders across the critical infrastructure sectors and lifeline utilities. This includes briefing the NZ Lifelines Council on the likely cascading impacts of a space weather event, a s9(2)(g)(i) ¹³
 - b. Engage international counterparts and institutions to share situational awareness and best practice on space weather.
3. **Transpower** continues to lead work on behalf of the electricity sector, including via the establishment of the Electricity Industry Space Weather Working Group and development of the Electricity Sector Industry Response Plan. Transpower is also supporting government with international engagements on space weather.
4. **MBIE, NZDF and MOD** are working to better understand and raise awareness of New Zealand's reliance on space-based services and assets s6(a), s9(2)(f)(iv) ¹⁴
5. **MOH and Te Whatu Ora** are engaging key stakeholders across the health and disability sector to increase awareness of, and preparations for, a potential space weather event.
6. s9(2)(f)(iv) ¹⁵
7. Work is underway to enhance the resilience of Positioning, Navigation and Timing (PNT) in New Zealand. s9(2)(f)(iv) ¹⁴
8. **The New Zealand Telecommunications Forum (TCF)** has completed work to better understand the impacts and potential mitigations of a space weather event for New Zealand's telecommunications sector.¹⁵

¹³ The NZLC aims to connect lifeline utilities across sectors to improve infrastructure resilience. Its members include: Spark NZ Ltd; Transpower New Zealand Ltd; New Zealand Transport Agency; Chorus Ltd; First Gas Ltd; Water New Zealand; KiwiRail; National Emergency Management Agency; Ministry of Business Innovation and Employment; Toka Tū Ake EQC; Land Information New Zealand; NIWA and GNS Science.

¹⁴ s9(2)(f)(iv)

¹⁵ The Sector Coordinating Entity for the Telecommunications sector for a space weather event. TCF membership includes 20 telecommunications providers across New Zealand.



Briefing

Reshaping work on regulations to improve the security and resilience of critical infrastructure

To: Rt Hon Christopher Luxon Prime Minister			
Date	19/12/2024	Priority level:	Normal

Purpose

1. This briefing seeks your agreement to reshape the work on regulatory interventions to improve the resilience of New Zealand’s critical infrastructure system.
2. Recognising that the Government is prioritising other measures to reduce the infrastructure system’s exposure to natural hazard risks, we propose to:
 - focus future work on critical infrastructure towards the development of options to manage growing national security risks, and
 - redirect the balance of the resources towards the implementation of the National Risk and Resilience Framework, to support greater coordination of the Government’s work on National Risks.

Advice

3. In Budget 2023, in response to growing cyber and foreign interference threats, DPMC received \$5.188 million over four years to lead work to enhance the resilience of New Zealand’s critical infrastructure system. The first two years of funding were time limited, with \$883,000 included in DPMC’s baseline funding on an ongoing basis.
4. In February 2024, on the advice of DPMC officials, you allocated leadership of this work to the Minister for Infrastructure [DPMC-2023/24-447 refers].
5. Following this allocation and consistent with legislation in place in Australia, officials developed a range of non-regulatory and regulatory options for reform (including a mandatory approach to risk management). The Minister for Infrastructure sought Cabinet approval in July 2024 to consult publicly on these options. However, Ministers raised a number of concerns s9(2)(g)(i) and the paper was withdrawn.
6. Following this Cabinet discussion, s9(2)(g)(i) instead prioritising work on:
 - s9(2)(f)(iv)

- addressing natural hazard risks to the broader infrastructure system (and economy) through a series of other mechanisms including the National Direction on Natural Hazards and the Adaptation Framework.

7. s9(2)(g)(i)

I therefore seek your agreement to limit the scope of this work to managing national security risks, including cyber security risks. I propose to redirect the balance of the funding in DPMC's baseline provided for this work towards implementation of the National Risk and Resilience Framework, which was endorsed by Cabinet on 2 December [CBC-24-MIN-0112 refers].

8. Redirecting ongoing funding and any underspend for 2024/25 towards the implementation of the National Risk and Resilience Framework in this way would have two benefits.
 - It would support the coordination and alignment of the Government's various work programmes to reduce New Zealand's exposure to natural hazard risks (as set out in paragraph 6) as a subset of National Risks.
 - It would reduce the scale of any DPMC bid for increased funding in Budget 25.

Next steps

9. If you agree that DPMC should reshape its work on critical infrastructure to focus on options to manage national security threats, DPMC will prepare a letter for you to send to the Minister for Infrastructure, setting out that:
 - this work no longer forms part of his portfolio responsibilities, and
 - he should write to the Climate Change Chief Executives Board to inform them that this work (and therefore progress against recommendations 3.3 and 5.6 of the National Adaptation Plan)¹ will cease.
10. For transparency, as a matter of convention, such letters are tabled in Parliament.
11. Separately, your office should direct the Minister for Climate Change to remove references to DPMC's work on critical infrastructure from his Cabinet paper "Adaptation framework: Government responses to the Finance and Expenditure Committee and the Climate Change Commission, and next steps for policy decisions" and relevant attachments. These papers were considered by ECO on 18 December 2024, but are not due to be confirmed by Cabinet until 2025.
12. In 2025, we will prepare advice for you, in your capacity as Minister for National Security and Intelligence, on options to improve our resilience to growing national security – and particularly cyber security – threats.

¹ These are: Action 3.30 - Scope options for voluntary and mandatory information sharing and collection within and between government and critical infrastructure entities and Action 5.6 - Scope enforceable minimum resilience requirements for critical infrastructure.

Recommendations

13. We recommend you:

1. **agree** that DPMC will narrow the scope of work on the design of regulatory requirements for critical infrastructure to the management of national security issues.

YES / NO
2. **agree** to redirect the balance of the resources not required to deliver on Recommendation 1 towards the implementation of the National Risk and Resilience Framework.

YES / NO
3. **agree** that DPMC will prepare a letter for you to send to the Minister for Infrastructure, informing him of your decision to reshape this work and therefore removing it from his portfolio responsibilities.

YES / NO

<div>Ben King Chief Executive</div>
19 December 2024
Telephone: s9(2)(a)

<div>Rt Hon Christopher Luxon Prime Minister</div>
...../...../.....