

The Treasury

Budget 2020 Information Release

July 2020

This document has been proactively released by the Treasury on the Treasury website at <https://treasury.govt.nz/publications/information-release/budget-2020-information-release>

Information Withheld

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 sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice 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
- [5] 6(d) - to prevent endangerment of the safety of any person
- [9] 6(e)(iv) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the stability, control, and adjustment of prices of goods and services, rents, and other costs, and rates of wages, salaries, and other incomes
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.



Funding for initiatives responding to the 15 March Terror Attacks

Slide pack to support Ministerial meeting
Monday 19 August, 3:30pm, EW 7.6

Previous funding decisions

- In response to the 15 March Terror Attacks, \$17.6 million funding was provided immediately and a further \$185.9 million as part of the Budget 2019 package. \$40 million was also provided by ACC for costs of the firearm buy-back

Portfolio	Initiative	Funding (\$m)	Funding Source
Ethnic Communities	Frontline response to the Terror Attacks	1.897	Budget 2018 BBC
Ethnic Communities	Increasing capability of the Office of Ethnic Communities	9.444	Budget 2019
Health	Funding for Canterbury DHB's immediate response	3.000	Budget 2019
Health	Primary care and community mental health workers	5.480	Budget 2019
Internal Affairs	Funding for the Royal Commission of Inquiry	8.250	Budget 2018 BBC
Ministerial Services	National Remembrance Service	1.040	Budget 2018 BBC
Ministerial Services	Dignitary costs for the National Remembrance Service and Royal visit	1.030	Budget 2018 BBC
Police	Administration of the firearm buy-back	18.013	Budget 2019
Police	Firearm buy-back compensation	150.000	Budget 2019
Police	Additional funding for buy-back compensation	40.000	ACC contribution
Social Development	Income support for victims and their families	5.337	Budget 2019 BBC
Total		243.491	

Process for funding further responses

- The Minister of Finance established a process to consider urgent funding requests following Budget 2019, and asked this group of Ministers to assist him in considering initiatives
- Agencies were expected to demonstrate that initiatives:
 - are a direct result of the Terror Attacks
 - are urgently needed to respond to the Terror Attacks, and
 - cannot be funded within existing baselines
- Next steps for the rest of the process are outlined below:

Process	Timing
Joint Ministers make decisions	19 August
Cabinet paper completed and approved by Minister of Finance	20 August
Ministerial and agency consultation on Cabinet paper	21 August
Cabinet paper lodged	22 August
GOV considers paper	29 August
Cabinet considers recommendations of GOV	2 September

Summary of funding sought

Portfolio	Initiative	Opex (\$m)	Capex (\$m)
Community and Voluntary Sector	Safer Communities Fund	[33]	-
Corrections	Cost pressures associated with managing the March 15 attack accused		-
Courts	Courts and victims resourcing	5.092	0.665
Education	Education response and recovery from March 15 Event	1.800	-
Ethnic Communities	Increased investment in ethnically diverse communities	[33]	-
Health	Mental health and psychosocial recovery		-
[33]			
Internal Affairs	Countering violent extremist content online	[33]	
[33]			-
Justice	Support and services for victims of the Christchurch Mosque Attacks	11.020	-
Police	Leave management movements	[33]	-
Total			[33]

Summary of recommendations

- The Treasury assessed the 13 initiatives using a broadly similar approach to assessing Budget initiatives, with additional emphasis on the expectations outlined by the Minister of Finance (direct result, urgent, and no baseline funding)
- Eleven initiatives supported with recommended funding of \$64.396 million operating and ^[33] million capital funding
- These recommendations would reduce the between-Budget contingency to ^[33] and slightly reduce the multi-year capital allowance to ^[33]

	Between-Budget contingency (\$millions)	Multi-year capital allowance (\$millions)
Current balance	^[33]	
Funding supported	64.396	^[33]
Resulting balance	^[33]	

Summary of initiatives supported

Portfolio	Initiative	Opex sought (\$m)	Capex sought (\$m)	Opex supported (\$m)	Capex supported (\$m)
Courts	Courts and victims resourcing	5.092	0.665	5.092 (100%)	0.665 (100%)
Education	Education response and recovery from March 15 event	1.800	-	1.800 (100%)	-
[33]					
Justice	Support and services for victims of the Christchurch mosque attacks	11.020	-	11.020 (100%) contingency	-
Supported in full total		[33]			

Portfolio	Initiative	Opex sought (\$m)	Capex sought (\$m)	Opex supported (\$m)	Capex supported (\$m)
Community and Voluntary Sector	Safer Communities Fund	[33]	-	5.000 [33] contingency	-
Corrections	Cost pressures associated with managing the March 15 attack accused	[33]			-
Ethnic Communities	Increased investment in ethnically diverse communities	[33]	-	10.000 [33] contingency	-
Health	Mental Health and Psychosocial Recovery	[33]	-	5.508 [33]	-
Internal Affairs	Countering Violent Extremist Content Online	[33]		9.200 [33]	[33]

[33]

Police	Leave Management Movements	[33]	-	3.306 [33]	-
--------	----------------------------	------	---	------------	---

Supported scaled total		[33]			
-------------------------------	--	------	--	--	--

Total funding supported		[33]			
--------------------------------	--	------	--	--	--

Summary of initiatives not supported

Portfolio	Initiative	Opex sought (\$m)	Capex sought (\$m)	Opex supported (\$m)	Capex supported (\$m)
-----------	------------	-------------------	--------------------	----------------------	-----------------------

[33]

Not supported total	[33]				
----------------------------	------	--	--	--	--

Initiatives

Safer Communities Fund (Community and Voluntary Sector)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	[33]	-	-	-	[33]
Recommended	5.000	-	-	-	5.000

- Creates a fund for at-risk communities to seek funding for the implementation of security projects (e.g. installing fencing and CCTV, employing security guards)
- Two specific requests for funding are likely to arise from [5]
[5]
- Recommendation: Scaled funding – up to \$5.000 million operating funding to cover the expected funding requests from the organisations above, rather than being a contestable fund
 - We recommend authorising joint Ministers to draw down funding from a tagged contingency, following detailed assessment of costs by officials
 - Further work should be done ahead of Budget 2020 to determine the level of need for ongoing funding
 - Any other urgent requests before Budget 2020 could be considered through the BBC or Emerging Priorities Contingency

Agree/Disagree

Cost pressures associated with managing the March 15 Attack accused (Corrections)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	[33]				
Recommended	1.928	1.661	[33]		

- Responds to the higher risk posed by the Terror Attack accused compared to other prisoners in New Zealand by:
 - Housing the accused in a separate unit from other prisoners, to provide for his safety and reduce his influence on other prisoners
 - Providing specialist training for staff who interact with the accused
 - Ensuring staff are never alone with the accused
 - Having at least three staff members with the accused whenever he is moved
- Recommendation: Scaled Funding – [33] operating funding ([33])
 - Costs seem high, with [33] new FTE (including [33] FTE in national office) sought
 - Recommend the Minister of Corrections report back 1 year post-trial if accused is found guilty or as soon as practicable post-trial if he is found not guilty, to review operating model and level of ongoing funding required

Agree/Disagree

Courts and Victims Resourcing (Courts)

\$ million	2019/20	2020/21	2021/22	2022/23	Total	Capex
Sought	2.834	2.258	-	-	5.092	0.665
Recommended	2.834	2.258	-	-	5.092	0.665

- Provides:
 - Additional court staff to deal with the increased workload resulting from the Terror Attack case
 - Additional Victim Advisors to support victims and their families during the court process
 - Accommodation costs for Public Defence Service who have had to move out of the Christchurch Justice and Emergency Services Precinct to allow space for additional staff
 - Additional security officers for the trial court, and
 - A legally trained person to work alongside the families to assist with communication with the prosecution and explain court processes
- Recommendation: Full Funding – \$5.092 million operating and \$0.665 million capital funding
 - Genuine cost pressure resulting from the Terror Attacks, unable to be met within baselines, and costings appear reasonable

Agree/Disagree

Education response and recovery from March 15 Event (Education)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	1.200	0.600	-	-	1.800
Recommended	1.200	0.600	-	-	1.800

- Provides support to staff and students affected, including:
 - Regional office capacity to liaise with social service agencies, respond to concerns about student behaviour and extremist views, and develop plans to support families affected by the Terror Attacks
 - Increased EAP services for staff
 - Developing and implementing return-to-school plans for those directly affected by the Terror Attacks
 - Extending the Ministry of Education behaviour service to meet increased demand, and
 - Implementing some of the findings of the lockdown review (due to be published in August).
- Recommendation: Full Funding– \$1.800 million operating funding
 - Genuine cost pressure, responses are proportionate and appear reasonably costed
 - Scaling options are available should Ministers wish to progress these

Agree/Disagree

Increased investment in ethnically diverse communities (Ethnic Communities)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	[33]				
Recommended	2.500	2.500	2.500	2.500	10.000

- Increases investment in New Zealand’s ethnically diverse communities, by:
 - Increasing the Ethnic Communities Development Fund (ECDF) by \$1.5 million to \$2.0 million per annum
 - Establishing an Ethnic Communities Initiatives Fund^[33]
 - Funding multicultural events^[33]
 - [33]
 -
 -

- Recommendation: Scaled Funding – \$10.000 million operating funding, doubling the current funding for the ECDF, as it appears effective and can address other components of the wider initiative (eg, the Initiatives Fund and multicultural events)
 - Funding to be set aside in a tagged contingency for Ministers to draw down once funding requests have been received
 - Other components lack a clear purpose, do not appear urgent, could be funded from baselines, and overlap with other agencies’ services
 - Further work could be undertaken on some aspects to inform a Budget 2020 initiative
 - There is an option to scale to \$2 million across four years

Mental Health and Psychosocial Recovery (Health)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	[33]				
Recommended	1.936	1.786	1.786	-	5.508

- Supports national and local mental health and psychosocial recovery responses to the Terror Attacks by:
 - Increasing treatment for PTSD and other serious mental health disorders
 - Providing community mental health and addiction interventions
 - Delivering primary care, counselling and community support services
 - [33]
 - Improving community messaging and education, including a virtual resilience hub of wellbeing information
 - Establishing an Expert Advisory Group for Recovery to inform the response in Canterbury
 - Workforce support for the Canterbury DHB, and
 - [33]
- Recommendation: Scaled Funding – \$5.508 million operating funding to provide for urgent and high-value services targeted at those directly affected by the Terror Attacks:
 - Treatment for PTSD and other mental health disorders
 - Community mental health and addiction services
 - Extend GP consults
 - A virtual resilience hub
 - Some workforce support for Canterbury DHB
- Other components are not well justified, do not provide sufficient evidence of need, and risk creating a precedent

Agree/Disagree

[33]



[33]

\$ million	2019/20	2020/21	2021/22	2022/23	Total
------------	---------	---------	---------	---------	-------

[33]

\$ million	2019/20	2020/21	2021/22	2022/23	Total	Capex
Sought	[33]					
Recommended						

[33]

[33]



\$ million	2019/20	2020/21	2021/22	2022/23	Total	Capex
------------	---------	---------	---------	---------	-------	-------

[33]

[33]

Countering Violent Extremist Content Online (Internal Affairs)

\$ million	2019/20	2020/21	2021/22	2022/23	Total	Capex
Sought	[33]					
Recommended	1.700	2.500	2.500	2.500	9.200	[33]

- Supports the work programme resulting from commitments to the Christchurch Call to counter violent extremist content online by providing more resource to:
 - Digital safety group – who will investigate and prosecute the hosting and sharing of extremist content,^[33]
 - Policy – who will develop and implement proposals to address gaps in New Zealand’s regulatory system
 - Office of Film and Literature Classification – who will be required to classify a wider range of material
- Recommendation: Scaled Funding– \$9.200 million operating and ^[33] for ^[33] of the operational staff
 - There is a strong case for providing additional resource, as this represents a significant increase in workload
 - Scaling is recommended as the level of staff sought is not well justified, and we anticipate difficulty recruiting to the highly-specialised positions
 - Policy work should reasonably be met through the Department’s existing baselines
 - There is a need to consider the appropriate process for this request; it was granted an exemption to seek funding from Cabinet outside of this process, and is currently due for SWC consideration on 21 August

[33]

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	[33]				
Recommended					

[33]

Support and services for victims of the Christchurch Mosque Attacks (Justice)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	11.020	-	-	-	11.020
Recommended	11.020	-	-	-	11.020

- Increases Victim Support capacity in response to increased demand, and ensures sufficient funding for Victim Assistance Scheme entitlements, which provides funding for discretionary grants, trauma counselling, compensation for Court attendance and travel assistance
- Recommendation: Support in Full – \$11.020 million operating funding
 - There has been a significant increase in demand for Victim Support services as a result of the Terror Attacks
 - The Victim Assistance Scheme provides grants that all victims are entitled to
 - There is forecast uncertainty as to the number of victims who will seek grants from the Scheme, so there may be possibilities to scale but these carry greater risks of further funding being sought due to the demand-driven nature of the grants
 - Set \$2.010 million of the funding aside in a tagged contingency to mitigate potential capacity issues with Victim Support

Agree/Disagree

Leave management movements (Police)

\$ million	2019/20	2020/21	2021/22	2022/23	Total
Sought	[33]	-	-	-	[33]
Recommended	3.306	-	-	-	3.306

- Covers the leave liability resulting from increased shifts and a hold on leave immediately following the Terror Attacks
- Recommendation: Support Scaled – \$3.306 million operating funding
 - Appears to be a cost pressure resulting directly from the Terror Attacks
 - [33]

Agree/Disagree