

The Treasury

Budget 2020 Information Release

July 2020

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- [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
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Treasury Report: Initiatives responding to the 15 March Terror Attacks

Date:	11 July 2019	Report No:	T2019/2032
		File Number:	DH-0-0-1 (Funding for 15 March Terror Attacks)

Action Sought

	Action Sought	Deadline
Hon Grant Robertson Minister of Finance	<p>Note the Treasury's recommendations on initiatives to respond to the 15 March Terror Attacks.</p> <p>Refer this report to, and meet with, the Ministers selected to assist you with decision making.</p>	By 22 July 2019

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Jared Walton-Bhim	Analyst, Justice, Security and Government Services	[39]	N/A
Simon Duncan	Team Leader, Justice, Security and Government Services	[39]	N/A

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.

Refer a copy to Hon David Clark, Hon Megan Woods, Hon Tracey Martin, and Hon James Shaw.

Convene a meeting between the Minister of Finance and the aforementioned ministers.

Note any feedback on the quality of the report

Enclosure: No

Treasury Report: Initiatives responding to the 15 March Terror Attacks

Purpose of Report

1. This report provides you with recommendations on initiatives which respond to the 15 March Terror Attacks (the Terror Attacks). It is intended that this package forms the basis of your discussion with Ministers on which initiatives to recommend to Cabinet for funding from the between-Budget contingency.

Background

2. In late May, you agreed to establish a process to consider funding requests in response to the Terror Attacks as a coordinated package, rather than Ministers making individual requests to Cabinet (T2019/1290 refers). You indicated that operating funding for this should be sought from the between-Budget contingency, and capital funding seek a pre-commitment against Budget 2020.
3. On 10 June, you informed Cabinet of this process, and outlined your expectation that agencies demonstrate that initiatives are a direct result of the Terror Attacks, are urgently required to respond to the Terror Attacks and cannot be funded from within baselines (CAB-19-MIN-0281 refers). You also informed Cabinet that Ministers Woods, Clark, Shaw and Martin would assist you in considering the initiatives submitted to this process.
4. The Treasury sent a request to departments for initiatives that meet your expectations on 13 June.

Initiative analysis and recommendations

5. On 2 July, the Treasury received thirteen initiatives across ten portfolios seeking ^[33] in operating funding and ^[33] in capital funding over the forecast period. Details on the initiatives, and the Treasury's recommendations, are included in the Annex to this report.
6. In general, the Treasury's assessment process for these initiatives has followed a similar process to that used for Budget 2019 initiatives, but with additional emphasis placed on the expectations you outlined to Cabinet.
7. To assess whether initiatives respond directly to the Terror Attacks, the Treasury considered information from departments on whether initiatives provide support to victims, contribute to the criminal justice process, or reduce the likelihood of future terrorist activity. We gave lower priority to initiatives that were already underway prior to the Terror Attacks, and to back office functions compared to frontline services.
8. Based on assessment of the initiatives, the Treasury supports full or partial funding for eleven initiatives, totalling \$56.396 million operating and ^[33] capital funding across the forecast period.
9. The Treasury does not support funding for the following initiatives:

Issues raised during assessments

10. While assessing these initiatives, the Treasury identified some issues which Ministers may wish to consider further.
11. It is unclear to what extent initiatives were developed in consultation with the Muslim community. Ministers may wish to consider consulting with affected populations to understand which initiatives they consider highest priority and most appropriate.
12. The countering violent extremist content online (Internal Affairs) initiative relates to the Cabinet paper that the Prime Minister is proposing to submit on the Christchurch Call. This paper was granted an exemption to seek funding from Cabinet ahead of this process. It is not clear when the Prime Minister's paper is likely to go to Cabinet, but we recommend removing this initiative from this process if that paper goes to Cabinet before decisions are taken.

[33]

15. The support and services for victims of the Christchurch Mosque Attacks (Justice) initiative includes funding for grants that victims are eligible to receive. There is forecast uncertainty for this funding, and the amount sought and supported is a high estimate of the victims qualifying and seeking assistance, with limited risk that the funding will not cover all grants. There is an option to provide funding on the assumption of a lower number of eligible victims make applications, but this carries greater risk of the Ministry of Justice going unappropriated or additional funding being sought, given the costs are demand-driven based on entitlement.

[33]

Consultation across Government

17. We have consulted on this paper with the Counter-Terrorism Coordination Committee chaired by the Department of the Prime Minister and Cabinet (CTCC), and sought views from the Officials Committee for Domestic and External Security Co-ordination Security and Intelligence Board (SIB) on the initiatives. The CTCC and SIB provided the following feedback:
- a the CTCC provided the national security system's prioritised Counter-Terrorism work programme, advice on the National Terrorism Threat Level,^[33] for the Treasury to consider assessments against,
 - b the SIB noted the process and short timeframe did not allow for the Board to provide a considered system view to the report, and
 - c the SIB expressed a general preference for system focused genuine cost pressure initiatives to be funded, with future focused strategic work to be addressed at a later date.

Next Steps

18. We recommend you refer this briefing to Hon David Clark, Hon Megan Woods, Hon Tracey Martin and Hon James Shaw, and meet with them to discuss the Treasury's recommendations. The Treasury can provide materials, such as a slide pack, to support the discussion at that meeting if you wish.
19. On the basis of the decisions made at that meeting, the Treasury will draft a Cabinet paper recommending funding for the package of initiatives. The intention is for the paper to be considered by GOV on 8 August and Cabinet on 12 August.

Recommended Action

We recommend that you:

- a **note** the Treasury's recommendations on initiatives to respond to the 15 March Terror Attacks
- b **refer** this report to Hon David Clark, Hon Megan Woods, Hon Tracey Martin and Hon James Shaw, and

Refer/not referred.
Minister of Finance
- c **meet** with the above Ministers to discuss the contents of this report and agree which initiatives to Cabinet for funding.

Simon Duncan
Team Leader, Justice, Security and Government Services

Hon Grant Robertson
Minister of Finance

Annex: Detail of initiatives and the Treasury's assessment

Portfolio	Initiative Title	Initiative Description	Funding Sought (\$ millions)		Vote Team Assessment (\$ millions)		
			Total Opex	Total Capex	Total Opex	Total Capex	Comment
Community and Voluntary Sector	Safer Communities Fund	The purpose of the initiative is to provide at-risk communities with a source of funding so that they can implement security projects to protect their community from hate crime and terrorism. It will establish a fund which at-risk communities can apply to for costs associated with upgrading safety measures for those communities, such as installing fencing and CCTV at significant venues. The funding sought is only for one year.	[33]			-	<p>Support scaled. There are heightened risks to the safety of minority communities and a need for some Government assistance. However, there is a lack of detail regarding proposals and costs. We are aware of two specific requests from the [5] (e.g. through employing security staff and installing CCTV). We recommend that Cabinet authorise joint Ministers to draw down up to [33] to allow these two requests to be funded following a detailed assessment of costs.</p> <p>Further work should be done ahead of Budget to understand wider need and demand for additional funding for at-risk communities, which may inform a further Budget 2020 initiative. If other requests emerge ahead of Budget, these could be considered through the between-Budget contingency or the Emerging Priorities Contingency.</p>
Corrections	Cost pressures associated with managing the March 15 attack accused	This initiative seeks funding for additional costs associated with the management of the person accused of the terror attack on the Al Noor Mosque and Linwood Islamic Centre in Christchurch on 15 March 2019. The accused is likely to present risks and have requirements beyond those of anyone that Corrections has managed before. Managing such needs and risks falls outside the normal functions of Corrections, and cost pressure funding is being sought for the resources that Corrections needs to manage them, including additional staff, legal costs, and design of a bespoke custodial facility.	[33]			-	<p>Support scaled. This initiative seeks to ensure the ongoing safety of the New Zealand public, Corrections staff and the accused, by housing the accused in a safe and humane environment. The accused is unlike any prisoner that Corrections has managed before due to his ideology and the scale of his alleged violence.</p> <p>The costs are primarily staff related, as it is proposed to employ an additional [33] FTEs to manage the accused [33] custodial FTEs and [33] FTEs in the national office to organise and oversee the management of the individual. The model proposed by this initiative is largely based on the model used in Norway to house a similar prisoner. Given the differences between the New Zealand and Norwegian justice and prison systems, it is not clear that all aspects of this model are directly applicable to New Zealand. In particular, there appear to be options to reduce the number of support staff in national office and to use corrections officers from outside of the unit to cover staff absences. It is also unclear what the costs for exploring long-term accommodation options and seeking legal advice relate to.</p> <p>Because of these uncertainties, we recommend providing scaled funding [33] of the funding sought. We also recommend a Cabinet report back on the model one year after the accused's trial if he is found guilty or immediately after the trial if he is found not guilty, to review the operating model and the level of ongoing funding required.</p>
Courts	Courts and Victims Resourcing	This initiative relates to additional resources, backfilling positions, accommodating additional staff, Court Security, and support for families for the Terror Attacks trial. Support for families includes legal trained people working alongside families to facilitate communication with the prosecution and explain the Court process.	5.092	0.665	5.092 (100%)	0.665 (100%)	<p>Support in full. This initiative would provide an additional 17 court registry officers, victim advisors and other staff for two years to manage the workload associated with the trial and to directly support victims of the attacks through the court processes. The costs for property relate to moving Public Defence staff out of the Christchurch facility to provide room for the additional staff. The direct personnel and accommodation costs are around 51% and 34% of the proposed operating costs respectively. An ongoing cost pressure for the Ministry, beyond this time-limited funding, will result from the new accommodation lease. There may be some cost saving options within the requested amount. However, the overall level of staff costs appear reasonable (average \$63,000 annually per FTE).</p>

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			Total Opex	Total Capex	Total Opex	Total Capex	Comment
Education	Education response and recovery from March 15 Event	This initiative seeks resources to provide a quality service to schools, early learning services, young people and families as we recover from the events of March 15. Primarily this resource increases Ministry staffing to provide support required by schools and families (e.g. return to school plans, EAP support, and implementing findings from the lockdown review).	1.800	-	1.800 (100%)	-	Support in full. This initiative is largely a cost pressure initiative that aims to maintain education services and wellbeing for students and staff affected by the Terror Attacks, such as return to school plans for those affected, increased wrap around support to students showing problematic behaviours and increased EAP for staff. The Ministry has identified an increase in demand for services following the Terror Attacks. No options analysis has been undertaken, and there is no clear case made in the initiative template as to why this cannot be reprioritised from baselines. However, we are aware that the Ministry is dealing with baseline pressures for 2019/20 and this would be an additional pressure outside the bounds of normal forecasting. Further, the proposed interventions are reasonable responses that are directly related to the attacks and do not seem disproportionate to the increase in demand services are likely experiencing. The initiative is implementation ready and low-risk as it is largely an extension of current services, and the agency has experience in responding to crisis events (e.g. earthquakes). If Ministers wish, there are scaling options available.
Ethnic Communities	Increased investment in ethnically diverse communities	This initiative will enable increased investment in New Zealand's ethnically diverse communities. It will do this through: <ul style="list-style-type: none"> increasing funding in the Ethnic Communities Development Fund establishing an Ethnic Communities Initiative Fund funding multicultural events [33]	[33]	-	2.000 [33]	-	Support scaled. We recommend an additional \$0.500 million per annum for the Ethnic Communities Development Fund, given it appears to be effective and increased funding may help address other aspects of this initiative (in particular, funding for cultural events and consideration of larger projects being funded). The other aspects of this initiative do not warrant urgent funding through this process and can be considered at Budget 2020 after further work has been completed (e.g. on purpose of proposals and analysis of other options). The components of this initiative that we do not recommend receive funding are: <ul style="list-style-type: none"> a new Ethnic Communities Initiative Fund – the purpose is unclear, it appears similar to existing DIA grant funding, and is not urgent multicultural events – these can be funded through the Ethnic Communities Development Fund [33]

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Health	Mental Health and Psychosocial Recovery	This initiative seeks funding to support the national and local mental health and psychosocial recovery responses to the Terror Attacks. It will support delivery of the Canterbury DHB's Wellbeing and Mental Health Recovery Plan, and national psychosocial recovery initiatives, in response to the Terror Attacks.	[33]	-	5.508 (40%)	-	<p>Support scaled. This initiative reflects a package of mental health initiatives aimed at supporting the recovery response following the Terror Attacks. We support funding for components that are high value, urgent and directly target those who have been impacted by the Terror Attacks. There are a number of initiatives as part of the package which are not well justified and there is no clear evidence of need (for example, developing a national campaign targeted at Muslim communities, setting up an expert advisory group). There are also initiatives that risk creating a precedent (for example [33]) and will be difficult to implement without greater clarity.</p> <p>We support funding:</p> <ul style="list-style-type: none"> • treatment for PTSD and other serious mental health disorders – there is likely to be a high need for this for those directly impacted by the attacks • community mental health and addiction interventions – there is likely to be a high need for this for those directly impacted by the attacks • providing extended GP consults for those directly affected by the attacks – this assumes partial reorientation of current extended consults as well as 2,000 extra consults. We consider this a better option than providing free GP visits • creation of a virtual resilience hub of wellbeing information which supports community messaging – this would help support better integration and promotion of existing services in place for those who need them, and • funding to support the Canterbury DHB workforce – we support funding to increase EAP support for staff members, immediate trauma support (reimbursement for expense already incurred).
[33]							

Portfolio	Initiative Title	Initiative Description	Funding Sought (\$ millions)		Vote Team Assessment (\$ millions)		
			Total Opex	Total Capex	Total Opex	Total Capex	Comment
[33]							
Internal Affairs	Countering Violent Extremist Content Online	<p>This initiative will provide a work programme to support our commitments to the Christchurch Call and counter violent extremist content online with the following three funding strands:</p> <ul style="list-style-type: none"> • DIA digital safety group • DIA Policy, and • the Office of Film and Literature Classification. 	[33]		9.200 [33]	[33]	<p>Support scaled. There is a strong case for a level of additional resourcing to combat violent extremism online. However, there are uncertainties regarding the volume of extremist content and staff required to tackle this, and likely difficulties regarding the ability to recruit specialist staff in time. Recommend [33] scaled funding for DIA operational staff and Office of Film and Literature Classification staff, and [33] with further funding to be sought at Budget 2020 if necessary.</p>

Portfolio	Initiative Title	Initiative Description	Funding Sought (\$ millions)		Vote Team Assessment (\$ millions)		
			Total Opex	Total Capex	Total Opex	Total Capex	Comment
[33]							
Justice	Support and services for victims of the Christchurch Mosque Attacks	There are two components to this initiative: increased operational capacity for Victim Support and funding increased demand for the Victim Assistance Scheme. Demand for Victim Support and the Victim Assistance Scheme has significantly increased as a result of the high number of victims of the Terror Attacks.	11.020	-	11.020 (100%)	-	Support in full. The initiative would fund Victim Support (\$2.01 million) to maintain current service levels in response to the Terror Attacks. It would also provide funding directly to victims (\$9.01 million), based on eligibility for grants and assistance where victims are involved in court processes. The recommended funding is based on 85% of estimated victims qualifying and seeking assistance. The grants funding could be scaled to \$4.33 million, although given the costs are based on entitlement and therefore demand-driven, there would be a risk of unappropriated expenditure or additional funding being sought from the between-Budget contingency. If the full funding amount is not agreed, we recommend the joint Ministers be authorised to draw down the balance. The funding is for 2019/20 only and additional funding for 2020/21 will likely be sought through Budget 2020.
Police	Leave Management Movements	This initiative seeks funding for increased costs from leave management movements arising from resources being deployed to meet increased demand following the Terror Attacks.	[33]	-	3.306 [33]	-	Support scaled. The initiative would fund the increased costs of constabulary and non-constabulary leave in 2019/20 arising from staff being deployed to meet increased demand following the Terror Attacks. We support the initiative, but have removed the [33] component as it is not required. We have been informed the amount sought is limited to the direct impact on leave costs in 2019/20 arising from a constabulary leave embargo and additional shifts worked by constabulary and non-constabulary in response to the terror attacks, but we have not been able to verify this.
Total funding			[33]		56.396 [33]	[33]	