

The Treasury

Budget 2020 Information Release

July 2020

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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
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- [5] 6(d) - to prevent endangerment of the safety of any person
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- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [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.

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Reference: T2019/4155 BM-2-4-2020-4-2 (Budget Initiative Assessments)

Date: 23 January 2020

To: Minister of Finance (Hon Grant Robertson)

Deadline: None

Aide Memoire: Budget 2020 Terrorism Related Initiatives

Following the request from your office, this Aide Memoire provides an outline of nine Budget 2020 initiatives related to the Government's Counter-Terrorism (CT) Strategy and a summary of the Treasury's assessments.

The initiatives request a combined [33] of operating funding over the forecast period and [33] in capital funding. The Treasury supports [33] in operating funding over the forecast period and [33] in capital funding. In addition, the National Security and Intelligence Community Ministers request a combined [1,33] in capital and operating funding, with the Treasury supporting [1,33]

[34]

The interagency Counter-Terrorism Coordination Committee (CTCC), led by DPMC, compiled a list of CT-related initiatives for Budget 2020. CTCC has sought to ensure the initiatives align with the Government's CT Strategy as agreed in September 2019 [CAB-19-MIN-0467] and to avoid duplication; however, as agencies were still undertaking internal prioritisation discussions with their respective Ministers the CTCC did not undertake any system-wide prioritisation ahead of submission.

You may therefore wish to discuss this list with relevant ministers and consider further prioritisation in line with the agreed CT Strategy and broader Budget and Government priorities, while also taking into account the delay to the Royal Commission findings.

Treasury initial assessments

A summary of the initiatives is attached outlining funding sought, alignment to CT work programme priorities, and the Treasury assessments. Vote Analysts have assessed each initiative based on:

- its specific contribution to the CT Strategy and Work Programme;
- its individual merits with regards to wider Government priorities; and
- where it fits in terms of the agency's other new spending and cost pressure initiatives.

The initiatives fall into three broad categories:

- Initiatives specifically related to March 15 activities – primarily a continuation of funding provided through Budget 2019 to support victims and vulnerable communities
- Initiatives that would deliver on CT priorities, but also offer wider National Security benefits, [33] and
- Initiatives where CT is not a key driver, but would deliver wider National Security benefits, [33]

None of the initiatives submitted appear to be driven by critical capability gaps in the national security system. [34]

There is some misalignment between the Treasury assessments and the CT work programme priorities identified by CTCC for this year, which is focused on shorter-term, system-wide work streams. Initiatives that are supported by the Treasury have been assessed as meeting the high bar for non-priority spending. They primarily build on the funding provided last year for urgent activities following the March 15 Terror Attacks, through additional support to victims as well as providing additional security to at-risk communities. [33]

[33]

[33]

[1,33]

Previous funding

Funding provided last year following the March 15 Terror Attacks (\$328.9 million in operating and \$665,000 in capital) has been fully committed, and it is unlikely there is scope to redirect this funding to other activities.

The firearms buy-back scheme implemented by Police has now closed, however the final cost will not be known until all applications for compensation have been processed. You may wish to request an update from Police on the timeline for processing remaining applications, the projected costs of future legislative changes, and any other likely funding requirements (for example, we understand Police's costs for implementing the current scheme have exceeded the operational funding provided in Budget 2019). Once final costs are known, consideration could be given to reprioritising any unspent funding to help manage Budget 2020 pressures.

[33]

[34,33]

[33]

Next steps

Given the considerable pressure on the Budget 2020 new spending package, we recommend you discuss the list of submitted initiatives with relevant Ministers to determine how these align with CT priorities, as well as broader Government priorities for Budget 2020 funding. Key considerations may include:

- how the initiatives would contribute towards achieving specific priorities identified in the CT Strategy and Work Programme for 2020
- how the initiatives would build on the previous funding provided to agencies for March 15 related activities through Budget 2019, as well as existing baseline-funded CT activities
- provision for Royal Commission findings through the Budget process, and
- where CT work fits in terms of agencies delivering on the current list of National Security and Intelligence Priorities.

Following initial ministerial engagement, we will provide further advice on possible funding options, engaging with the CTCC to ensure alignment with policy priorities.

Lucy Connell, Senior Analyst, Justice, Security and Government Services, [39]
Colin Hall, Manager, Justice, Security and Government Services, [39]

Agency	Title	Description	[1]	Funding Sought (total)	Vote Team assessment (total)	Commentary
Initiatives specifically related to March 15 activities						
Justice	Provision of effective Victim Services for victims of the Christchurch Mosque attacks	Funding to ensure Victim Support can provide practical, emotional and financial support to over 1,000 victims of the Christchurch Mosque attacks, at the same level all victims of serious crime in New Zealand can expect, whilst maintaining Victim Support's current service delivery to all victims across New Zealand.		[33]	Support – [33] opex [33]	The initiative would fund Victim Support to maintain current service levels in response to the 15 March terror attacks, and provide funding directly to victims based on eligibility for grants and assistance. Justice does not recommend changes to the service provider Victim Support as it may cause disruption to victims and increase costs. [33] Funding requested for Victim Service grants is based on projections, and is much lower than 2019/20. [33] There may be an option to scale this based on updated projections.
Immigration	Ensuring the Safety of Staff and Refugees at Mangere Refugee Resettlement Centre (MRRC)	Funding for security personnel and perimeter security to meet the standards of a permanent medium security risk facility. The security status of the Centre was upgraded following the Christchurch attacks.		\$8.527m opex \$1.950m capex	Support - full \$8.527m opex \$1.950m capex	Funding is required as MRRC is currently not meeting its obligations after its security risk rating was heightened after the Christchurch attack, putting both the refugees and staff at risk. This risk rating is unlikely to decrease in the near future, particularly given the increase in refugees from the quota being increased.
[33]				[33]		
OEC/ DIA	Inclusive Local Communities	The March 15 related component seeks to permanently retain 4 'Diversity and Engagement Adviser' FTE in the South Island in response to the March 15 terror attacks, [33]		[33]	Support – Scaled \$0.63m [33] 4 FTE for 1 year only	Budget 2019 provided funding to uplift the Office of Ethnic Communities and support the response to the March 15 Terror Attacks – increasing Christchurch FTE from 2 to 10 in 2019/20. While we support the need for additional capability for the response in Christchurch, there may be less need for this resource in the longer-term. We expect that after 2020/21 the level of resource in Christchurch could revert to a BAU level (6FTE).

Agency	Title	Description	[1]	Funding Sought (total)	Vote Team assessment (total)	Commentary
Initiatives that would deliver on CT priorities, but also offer wider National Security benefits						
[1]				[1,33]		[1]
[33]				[33]		[33]

Agency	Title	Description	[1]	Funding Sought (total)	Vote Team assessment (total)	Commentary
Initiatives where CT is not a key driver						
[33]				[33]		

	Total funding sought:	Initial recommendation:
Opex	[33]	
Capex		
FTEs	[1,33]	
[1,33]		