

The Treasury

Budget 2020 Information Release

July 2020

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- [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
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- [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.

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Treasury Report: Outstanding Funding Decisions Related to the Christchurch Terror Attacks

Date:	21 May 2019	Report No:	T2019/1290
		File Number:	DH-0-0

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	<p>Agree to establish a process for coordinating new funding requests for initiatives responding to the 15 March Terror attacks.</p> <p>Indicate your preferences for the scope of the process.</p>	No specific deadline but desirably before end of Budget moratorium on 30 May

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Jared Walton-Bhim	Analyst, Justice, Security and Government Services	[39] (wk)	N/A (mob) ✓
Colin Hall	Manager, Justice, Security and Government Services	[39] (wk)	[35] (mob)

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

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: No

Treasury Report: Outstanding Funding Decisions Related to the Christchurch Terror Attacks

Purpose of Report

1. This report proposes a process to manage funding requests in response to the 15 March Christchurch Terror Attacks (the Terror Attacks) and seeks decisions on the scope of this process.

Background

2. In response to the Terror Attacks, Cabinet agreed to up to \$17.554 million in immediate funding, and a further ^[33] as part of the Budget 2019 package. You have indicated that new funding for responses to the Terror Attacks should be met from the Budget 2019 between-Budget contingency.
3. Departments have identified \$151.877 million of related initiatives which are likely to seek funding from the between-Budget contingency (refer paragraph 8 for a list of identified initiatives). Given the between-Budget contingency is \$159.0 million across four years, including \$60.0 million in 2019/20, requests could quickly exhaust the available funding leaving little for other priority initiatives.

Proposed Process

4. Rather than Ministers taking individual initiatives to Cabinet for separate consideration, we recommend you put in place a process to collate funding requests and consider them as a package. This will allow the requests to be consistently evaluated and prioritised, assist in the management of the between-Budget contingency, and allow Cabinet to efficiently consider proposals. Treasury will assess initiatives from departments and recommend initiatives for your approval.
5. Any initiatives submitted under this process should be required to meet the standard for Budget initiatives as well as meet between-Budget contingency requirements, including justifying why the funding is required ahead of Budget 2020 decisions.
6. To facilitate this process you may wish for a small group of Ministers to assist you with decision-making and making recommendations to Cabinet. This would allow more in-depth consideration of the individual initiatives than through the Cabinet process alone, and help build consensus for the recommendations ahead of Cabinet consideration.
7. We suggest that you specify a funding cap to ensure only high quality initiatives are funded, to assist prioritisation, and to support management of the between-Budget contingency.

Scope of the process

8. There is a risk that the proposed application process results in a greater number of requests than would otherwise have gone to Cabinet, and may create an expectation from departments and Ministers that all initiatives will be funded. Communicating a funding cap may help manage this risk. Another way to mitigate this risk would be to target the process at specific departments, based on the initiatives that have already been identified. Below is a list of departments you could call for initiatives from and a summary of the initiatives they have identified.

Portfolio	Initiative description	New funding (\$m)
[33]		
Corrections	Additional security requirements for the defendant	2.300
Courts	Additional personnel to support court and coroner proceedings related to the terror attacks	[33]
Ethnic Communities	Increased funding for grants ^[33]	[33]
Health	Additional mental health responses and further support for Canterbury District Health Board	1.000
[33]		
Internal Affairs	Increased resources to address terror related objectionable material	17.717
Justice	Accommodation, communications and security responses to Christchurch	[33]
	Additional funding for Victim Support services	1.900
[33]		
Total funding identified		[33]

9. We propose creating a template for agencies to complete for each initiative, outlining:
 - a a description of the initiative
 - b how the initiative responds to the Terror Attacks
 - c a summary of wellbeing impacts
 - d how much funding is required, and a justification of the expected costs and benefits
 - e why funding cannot wait until Budget 2020
 - f whether there are opportunities to fund the initiative through other means (e.g. reallocating baseline funding), and
 - g whether the initiative overlaps with the work of other departments, and how departments have worked together to reduce this duplication.
10. We propose that the Treasury assess the initiatives on the basis of the information above and propose a package of initiatives to you or Joint Ministers.
11. We recommend that any subsequent proposals that seek funding from the between-Budget contingency are required to satisfactorily demonstrate why the proposal was not able to be considered through the collective process.

Timing

12. While funding decisions are not required before the start of the 2019/20 financial year, it is likely that departments and Ministers will want funding certainty early in the financial year. We recommend that you aim for agreement to initiatives in the first quarter on 2019.
13. You may wish to seek Cabinet agreement before implementing this process, either by taking a paper to Cabinet or through an oral item. This will increase the time needed for the process, but will ensure Ministers have a chance to provide input to the proposed process. If you do wish to consult Cabinet, we recommend you write to your colleagues informing them you are developing a process and requesting that funding related to the Terror Attacks is not sought separately, unless there is a specific need for urgency.
14. The attached annex sets out the proposed steps in the process with indicative timing. We will update proposed timings once you take decisions on your preferred process.

Recommended Action

We recommend that you:

- a **note** departments have identified^[33] in initiatives responding to the Christchurch Terror Attacks that may seek new funding from the between-Budget contingency of \$159.0 million across four years

- b **agree** to establish a process for coordinating new funding requests for initiatives responding to the Christchurch Terror Attacks

Agree/disagree

Minister of Finance

- c **indicate** whether you wish to commission a group of Ministers to assist you to consider funding requests and agree recommendations for Cabinet

Yes/no

Minister of Finance

- d **indicate** which Ministers you would like included in the Ministerial group (if agreed)

Please identify:

- e **indicate** whether you wish to set a cap on the funding within which funding requests are considered, and if so specify the cap you wish to put in place

Yes/no

Proposed cap:

Minister of Finance

- f **indicate** whether the process should be targeted to agencies who have already signalled specific initiatives

Yes/no

Minister of Finance

- g **indicate** which agencies you wish to include in the process (if you agree a targeted approach):

Agency	Funding Sought (\$M)	Yes	No
[33]			
Department of Corrections	2.3		
Department of Internal Affairs	[33]		
[33]			
Ministry of Health	1.0		
Ministry of Justice	[33]		
[33]			
New Zealand Police	[33]		
Indicate any additional agencies:			

- h **agree** that proposals that subsequently seek funding from the between-Budget contingency are required to satisfactorily demonstrate why the proposal was not able to be considered through the collective process

Agree/disagree

Minister of Finance

- i **indicate** whether you wish to seek Cabinet agreement to this process

Yes (Cabinet paper) / yes (oral item) / no

Minister of Finance

- j **agree** to send a letter to Ministers informing them of your intentions and requesting that funding not be sought ahead of the process (if you agree to seek Cabinet agreement).

Agree/disagree

Minister of Finance

Colin Hall
Manager, Justice, Security and Government Services

Hon Grant Robertson
Minister of Finance

Annex: Proposed Steps and Indicative Timing

Process step	Timing - Cabinet Paper on Process	Timing - No Cabinet Paper on Process
Treasury to draft a Cabinet paper outlining proposed process	30 May	N/A
Cabinet oral item / letter to Ministers	N/A	4 June
Minister of Finance send letter to Ministers	N/A	N/A
Consultation on GOV paper	5 -11 June	N/A
GOV consideration of paper	20 June	N/A
Cabinet consideration of paper	24 June	N/A
Treasury to finalise template for agencies to request funding	24 June	5 June
Request for submissions	25 June	6 June
Departments to complete and submit templates for initiatives	15 July	24 June
Treasury to assess submissions and make recommendations to Ministers	15 July – 5 August	24 June – 11 July
Joint Ministers to make decisions on funding	13 August	18 July
Treasury to draft a Cabinet paper seeking decisions on which initiatives to fund	13 August	22 July
Consultation on GOV paper seeking decisions on which initiatives to fund	13 August – 20 August	22 July – 30 July
GOV consideration of funding decisions	29 August	8 August
Cabinet consideration of funding decisions	2 September	12 August