Cabinet Committee on State Sector Reform and Expenditure Control

Minute of Decision

SEC Min (12) 4/1

Copy No:

Creating an Effective National Cyber Security Centre

Portfolio: Minister Responsible for the GCSB

On 3 April 2012, the Cabinet Committee on State Sector Reform and Expenditure Control:

Background

1 **noted** that December 2010, the Cabinet Committee on Domestic and External Security Co-ordination:

1.1 noted that establishing a National Cyber Security Centre (NCSC) to address advanced and persistent cyber intrusions is a priority cyber security action;

1.2 agreed to establish phase one of the NCSC within the Government Communications Security Bureau (GCSB);

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2 **noted** that the threat facing New Zealand is more comprehensive than previously estimated;

3 **noted** that the threat faces public and private sectors equally;

4 **noted** that the NCSC as currently resourced does not adequately address the risk that New Zealand as a whole faces, posing ongoing economic and security risk;

5 **noted** the need to extend the scope of the NCSC to a wider range of public, critical national infrastructure providers and organisations of national significance;

6 **noted** that cyber security is best addressed through reducing the vulnerability that allows attacks to occur and defeating threats as they occur;

7. **noted** that the threat requires an enhanced approach;

8 **noted** that the proposed approach comprises a set of inter-dependencies which together provide a significant enhanced cyber security capability;

9 **noted** that a government-industry partnership is required to address the problem;

10 **noted** that the full capability would provide enhanced protection to government and industry and would provide some protection to most New Zealanders against advanced cyber attacks;

11 **noted** the two options:

11.1 Option 1: extends NCSC protection to the core public sector, critical national infrastructure and organisations of national significance, provides an automated investigation capability and an "effects" defence option;

11.2 Option 2: includes Option 1 above, and the development of a Detailed Business case, the high-speed detection and defence capabilities to protect government and industry and potentially extends a degree of protection to all New Zealanders to be developed in consultation with MED and the National Cyber Policy Office (NPCO);

12 **noted** that the implementation of Option 2 is preferred, but requires significant scoping and consultation in order to identify the full range of risks and dependencies for the government;

Implementation

13 **agreed** to extend the scope of the NCSC to cover central government, critical national infrastructure operators and specified organisations of national significance;

14 **agreed** to proceed with Option 1 in paragraph 11.1 above;

15 **directed** the GCSB to develop a Detailed Business Case for implementation of Option 2 in 2013;

16 **directed** the NCPO to work with the GCSB and other agencies on any wider cyber security policy issues related to Option 2 in paragraph 11.2 above;

Resource

17 **noted** that on 28 March 2012, Budget Ministers agreed to the following additional appropriations for Vote: Communications Security and Intelligence, subject to confirmation by Cabinet:

	$m – increase/(decrease)			
Vote Communications Security and Intelligence	**2012/13**	**2013/14**	**2014/15**	**2015/16 & outyears**
Intelligence and Security Department Expenses and Capital Expenditure: Communications Security and Intelligence (funded by revenue crown)	[redacted]	[redacted]	[redacted]	[redacted]
Net Asset Schedule of the Government Communications and Security Bureau: Capital Investment	[redacted]	[redacted]	[redacted]	[redacted]

18 **agreed** that the [redacted] staff required for NCSC Phase 1 be met from the wider Public Service staffing cap;

19 **noted** that on 28 March 2012, Budget Ministers agreed that Option 2 in paragraph 11.2 above would be funded from a tagged contingency of $[redacted] million for capital expenditure and associated operating expenses, as set out below, subject to Cabinet approval of a Detailed Business Case:

	$m – increase/(decrease)			
Vote Communications Security and Intelligence	**2012/13**	**2013/14**	**2014/15**	**2015/16 & outyears**
Intelligence and Security Department Expenses and Capital Expenditure: Communications Security and Intelligence (funded by revenue crown)	[redacted]	[redacted]	[redacted]	[redacted]
Net Asset Schedule of the Government Communications and Security Bureau: Capital Investment	[redacted]	[redacted]	[redacted]	[redacted]

Sam Gleisner
Committee Secretary

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Present:
Rt Hon John Key
Hon Bill English (Chair)
Hon Judith Collins
Hon Tony Ryall
Hon David Carter
Hon Paula Bennett
Hon Craig Foss
Hon John Banks

Officials present from:
Office of the Prime Minister
Officials Committee for SEC
Government Communications Security Bureau

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