

Reference: 20180492

7 February 2019

s9(2)(a)

Dear s9(2)(a)

Thank you for your Official Information Act (OIA) request, received on 20 November 2018. You requested the following:

All documents related to Treasury's request to New Zealand Police on reprioritisation and any communication with the Minister of Police on the issue. Please include any briefings, memos, aide memoires, meeting notes, letters, emails, recommendations and reports.

On 27 November 2018, the Treasury asked for clarification of the request. You stated:

According to the Police Annual review questionnaire from the Justice Select Committee, this was one of the reports provided to the Minister of Police: Response to the Treasury's request on reprioritisation.

The Treasury ascertained that the above report, referenced in the Police annual review questionnaire, concerns the Minister of Finance's request to New Zealand Police on reprioritisation options through Budget 2018.

On 13 December 2018, the Treasury extended the deadline for responding by 20 working days.

Information Being Released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	27 November 2017	Letter from Minister Robertson to Minister Nash requesting reprioritisation options for New Zealand Police.	Release in full
2.	24 January 2018	Letter from Minister Nash to Minister Clark providing reprioritisation options for New Zealand Police.	Release in part
3.	No date	Vote Analyst's assessment of reprioritisation options for New Zealand Police.	Release in part

I have decided to release the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials
- certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions, and
- telephone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Some information on the general process of reprioritisation is available in the 'Budget 2018 Information Release' on the Treasury's website:

treasury.govt.nz/publications/information-release/key-documents-budget-2018-information-release. You may find this provides helpful context for your request.

A breakdown of activities in New Zealand Police's 'Know Your Business' model is available in Police's 'Four Year Plan' (p. 40) on the Parliament website:

www.parliament.nz/resource/en-nz/51SCLO_EVI_00DBSCH_EST_69148_1_A515315/be0c6cf1ec2fa2ec2c5bdba03af4c84a4182436e

Funding for New Zealand Police was not reprioritised through Budget 2018. The Treasury's website also includes the 'Estimates of Appropriations' for Vote Police in 2018/19: treasury.govt.nz/publications/estimates/vote-police-justice-sector-estimates-2018-2019.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Colin Hall
Manager, Justice, Security and Government Services

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Hon Grant Robertson

MP for Wellington Central

Minister of Finance

Minister for Sport and Recreation

Associate Minister for Arts, Culture and Heritage



27 November 2017

Hon Stuart Nash
Minister of Police
Minister of Fisheries
Minister of Revenue
Minister for Small Business

Dear Minister

In mid-December I will be releasing the Budget Policy Statement alongside the Treasury's Half Year Economic and Fiscal Update, which will communicate our 100 Day Plan. Beyond the 100 Day Plan, there are further commitments and cost pressures to manage through Budget 2018.

Cabinet has noted that after taking into consideration commitments in the Labour Fiscal Plan, and our coalition and confidence and supply agreements, there is minimal room left for any extra spending in order for us to meet our Budget Responsibility Rules.

As agreed by Cabinet, in order to provide flexibility for any extra spending, including for departmental cost pressures, and future fiscal risks, I will be looking for Ministers to identify spending reprioritisation options through Budget 2018.

I expect Ministers to start engaging with agencies to identify reprioritisation options over the next couple of weeks. In the first instance the focus should be in ensuring current spending on agencies baselines align with the Government's priorities, and after that looking at current spending that is not generating value-for-money.

In addition I want to remind you of the following timelines that Cabinet has agreed to.

- Bids for cost pressures by 8 December 2017
- Analysis of manifesto (fiscal plan, coalition and confidence and supply) commitments by 26 January 2018.

I have delegated the reviewing of the results of your baseline reviews to Associate Minister of Finance Hon Dr David Clark. I ask that you write to him by 26 January 2018 with the outcome of your reviews. I also expect the Treasury will be in touch with your chief executives with guidance as to how these baseline reviews should be conducted.

I look forward to your cooperation in undertaking this work and meeting these timeframes.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Grant Robertson'.

Hon Grant Robertson
Minister of Finance

Office of Hon Stuart Nash



MP for Napier

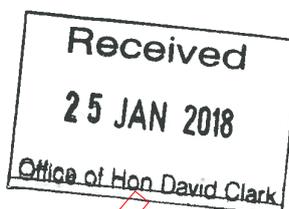
Minister of Police

Minister of Fisheries

Minister of Revenue

Minister for Small Business

24 JAN 2018



Hon David Clark
Parliament Buildings
WELLINGTON

Dear Minister

Police conducted a review to reprioritise its baseline funding, this indicated that baseline is consistent with Government priorities.

Police has previously undertaken business modelling to assess the extent to which expenditure is aligned with priorities that are valued by the public, for example to feel safe and to instil trust and confidence in the Police. The Know Your Business model describes Police output in terms of 40 front-facing activities (see Annex). Each activity is fully costed, including overheads and support office functions that enable the front line service delivery. The model has been used to inform Police's investment decisions and to identify where to re-prioritise spending.

The Government intends to ensure Police is fit for purpose as a modern 21st century service, which is sufficiently resourced to meet the public expectation to be safe and feel safe, and to earn the trust and confidence of the public. A first priority is the delivery of 1,800 additional police to reflect the Coalition Agreement with New Zealand First. All funding spent in this area is consistent with the Government's priorities.

Police's work programme is focused on delivering the Government's priorities, which are:

- To ensure Police is fit for purpose as a modern effective 21st century service that is sufficiently resourced to earn the respect and trust, as well as meet the expectations, of the public around law and order enforcement, crime prevention and community management.
- To provide the legislative powers and resources required to allow Police to effectively combat crime and keep our communities safe.
- To provide a rewarding career for those who are employed by Police.
- Within three years, to have demonstrated to New Zealanders that the Government cares about law and order, have listened to the public's concerns, and acted accordingly.

Police has an appropriation of \$1.658 billion for departmental output expenses and multi category expenses, of which 73 per cent is spent on personnel costs, i.e. wages. An additional 20 per cent is spent on supporting personnel, i.e. uniforms, vehicles, property, and ICT. Given the majority of Police's funding is spent on personnel and supporting frontline officers to do their jobs there is limited opportunity for Police to reprioritise its spending.

Police considered the following initiatives for potential reprioritisation of its funding

s9(2)(g)(i)



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s9(2)(g)(i)

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s9(2)(g)(i)

Given the above analysis Police is not able to reprioritise baseline funding without compromising Government priorities.

Yours sincerely



Hon Stuart Nash
Minister of Police

s9(2)(g)(i)

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Portfolio	Vote Police
Responsible Minister	Hon Stuart Nash
Title(s) of proposed reprioritisation initiative	N/A
Appropriation(s)	N/A
Description for CFISnet	N/A
Responsible Vote Analyst	Tim Stevenson s9(2)(k)

EXECUTIVE SUMMARY

Short description of initiative and potential saving (including identifying any transition costs)	Nil return: the letter from Hon Stuart Nash says "...Police is not able to reprioritise baseline funding without compromising Government priorities."
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Total Potential Savings (\$m)	2017/18	2018/19	2019/20	2020/21	2021/22 & outyears	TOTAL
Operating	-	-	-	-	-	-
Capital	-	-	-	-	-	-

VOTE ANALYST RECOMMENDATION

Comment	<p>While Police has an annual operating baseline of \$1.658 billion, we agree that Police is under increasing pressure due to rising demand and the expectation of supporting an additional 1800 officers over the next three years, and as a result there is little opportunity to feasibly reprioritise expenditure through Budget 2018.</p> <p><i>Personnel Costs</i></p> <p>A significant portion of Police funding is spent on direct personnel costs, followed by the associated personnel costs, such as uniforms, and ICT. The main drivers of the personnel bill are police wages and the number of police. Police management is constrained in terms of options for both drivers, given the Government's commitment to increase police numbers and the final offer arbitration model on wages.</p> <p>s9(2)(f)(iv)</p>
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	<p>s9(2)(f)(iv)</p> <p>Police has taken measures to improve value for money through Policing Excellence and Police Excellence: the Future – strategic transformation programmes that rationalised Police's activity mix and placed a focus on efficient delivery of policing (by utilising technology) and a shift toward prevention.</p> <p><i>Other Initiatives</i></p> <p>Of the initiatives that have been considered by Police for potential reprioritisation, the vote team agrees that the majority of these align broadly with Government priorities and could not be reprioritised through the current Budget without reducing current service levels. This is consistent with our December advice, in which no specific Police initiatives for reprioritisation were identified (T2017/2646 refers).</p> <p>s9(2)(f)(iv) and s9(2)(g)(i)</p>
<p>Recommendation</p>	<p>The vote team recommends that this reprioritisation should be accepted in full.</p>