

Vote Police

Baseline Alignment Proposal

Version [1]

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Submitted by:

Hon Judith Collins

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Budget 2010: Justice Sector Overview

The justice sector's reports for Budget 2010 Phase 1 and Phase 2 highlighted that the justice sector cannot cope with ongoing volume pressures in a fiscally sustainable way. In Budget 2010, the residual pressures that the justice sector cannot absorb or defer currently amount to \$191.788m operating and \$12.290m capital (excluding the Prison Capacity Business Case). Aside from these pressures, in Budget 2010 the justice sector proposes to absorb \$624m pressures within baselines and has identified fiscal risks for future Budgets of \$580m.

Over the past decade the demand for justice sector services has substantially increased and is reflected in higher volumes of prosecutions, court cases, prisoners, and offenders managed in the community. The current business model is underpinned by an extensive legislative and policy framework (often built on legislation that is over 50 years old). This model cannot cope with continued increases in demand.

The justice sector has considered a range of strategic options that will help to transform its business model to be more fiscally sustainable. The key strategic choices are the Police, Courts and Corrections' Performance Improvement Actions (PIAs) that aim to reduce volumes through the courts and prisons, and improve the efficiency and effectiveness of the criminal justice system – thus contributing to the Government's drive for 'better, smarter public services for less'. Sector Ministers have agreed that these PIAs are an important priority for the justice sector.

The sector is proposing to allocate operating funding in Budget 2010 for criminal justice PIAs – Criminal Procedure Simplification (CPS), Electronic Operating Model (EOM) and Audio-Visual Links (AVL) – these initiatives will improve efficiency in the courts and provide other benefits, at a lower level, for Police and Corrections. These PIAs also complement and support important aspects of other sector PIAs – the Police Comprehensive Approach to Policing Excellence (CAPE), such as the alternative resolutions and case management initiatives, and Corrections' The Way Forward, in particular the Community Probation Service change programme and the focus Corrections is taking in relation to rehabilitation and reintegration.

The sector has developed scaled-back options for funding CPS, EOM and AVL in Budget 2010 and out-years, and will sequence implementation in a coordinated way. Funding for CAPE is not sought in Budget 2010 and Corrections proposes to self-fund the initial implementation of The Way Forward in 2010 from efficiency savings, however funding for these PIAs may be required in Budget 2011 and future Budgets.

The justice sector proposes to use funding of \$191.788m million to manage immediate service delivery risks and deliver on Vote Ministers' priorities (including the sector PIAs).

Section 1: Police Alignment to Government Priorities

Throughout this period, the Government has two driving goals. They are:

- To lift the long-term performance of the economy so as to make New Zealand a more prosperous country capable of providing well-paid jobs, a better standard of living and a world-class public service.
- To make significant social sector reforms so as to provide more quality service at less cost and to better equip New Zealanders, particularly young New Zealanders, to face the significant economic challenges of an increasingly competitive world.

[Information deleted in order to maintain the effective conduct of public affairs through the free and frank expressions of opinions].

- prevention (of crime and victimisation) and reduction of demand on the criminal justice system
- continued clamping down on gangs and drugs
- improved operational and financial performance
- reassurance policing

A brief discussion of each priority, and the Police strategy to achieve them, follows.

Priority One: Prevention And Demand Reduction

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Priority Two: Clamping Down On Gangs And Drugs

Police will continue to focus on deterring participation in gangs and organised crime, will follow money trails and seek to seize assets gained by trade in criminal commodities such as methamphetamine. Actions will include:

- implementing the **Criminal Proceeds (Recovery) Act 2009**, which shifts the burden of proof from a criminal to civil standard, making it easier for Police to seize the profits of crime and assets of criminals;
- implementing the **Anti-Money Laundering and Countering Financing of Terrorism Act 2009**, which strengthens the monitoring and reporting regime across financial institutions and will provide Police with more information on suspected criminal financial activity;
- implementing the **Criminal Investigations (Bodily Samples) Amendment Act**, which will come into force on 1 July 2010 and will give Police officers the ability to take DNA from persons who they intend to charge (by way of arrest or summons) with an offence from an expanded list of "Relevant Offences";
- putting operational emphasis on policing gangs and organised crime including picking up on activities enabled by the **Crimes Amendment Act 2009**;
- implementing changes coming from the enactment and coming into force of the **Search and Surveillance Bill**, which will provide a wide range of new tools to covertly investigate top tier criminals with the objective of disrupting, deterring, and preventing organised crime;
- encouraging alternatives to gang membership by creating 650 new places in **Youth Development Programmes**.

Priority Three: Operational and Financial Performance

Police recognises the fiscal conditions that will apply for the next few years.

Of Police's \$1.462 billion appropriation for 2010/11, an estimated 71% (\$1.040 billion) will be spent on personnel costs, 18% (\$265 million) on asset related costs and 11% (\$157 million) on other operating expenditure. The predominance of personnel and asset related costs limits the ability for Police to make significant fiscal changes without considering these costs – which are underpinned by the mix, number and remuneration levels of staff, and the national portfolio of buildings, vehicles and computing infrastructure.

Nonetheless, Police is committed to adopting a package of measures including:

- managing any fiscal impact of the Police Collective Employment Agreements in 2010/11 and beyond;
- *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]* improving asset management, and:
- continuing to review existing expenditure for savings opportunities.

Priority Four: Reassurance Policing

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Section 2: Reprioritisation - Key Changes Planned to Achieve the Priorities Set Out in Section One

The key changes planned to achieve the priorities set out in section one, grouped by priority, are as follows:

Priority One: Prevention And Demand Reduction

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Priority Two: Clamping Down On Gangs And Drugs

Key changes planned in relation to this priority include:

Criminal Proceeds (Recovery) Act

In parallel with legislative changes, Police has increased resourcing in the financial investigations area and is driving improved targeting of criminal assets. This will result in increasing numbers of restraining orders, and increased forfeiture of assets.

Anti-Money Laundering and Countering Financing of Terrorism

As with Criminal Proceeds, in parallel with legislative changes Police has increased resourcing in this area and will focus on prosecuting those involved in the laundering of criminal proceeds, including the potential financing of terrorism.

Criminal Investigations (Bodily Samples) Amendment Act

This legislation will allow Police to take DNA samples at the time of arrest from those they intend to charge with a “relevant offence”, and run that sample against the crime scene DNA database. Under previous legislation, samples could only be taken upon conviction.

In addition, samples can be taken from persons 14 years of age and over, as opposed to 18 and over previously, which will provide an opportunity for earlier intervention.

Crimes Amendment Act

In response to this legislative change, police will implement the Organised Crime Action Plan, which focuses frontline staff on utilizing the new legislation to target gang activities

Search and Surveillance Bill

New powers being considered under this Bill will enhance Polices ability in a number of areas including covert surveillance.

Priority Three: Operational and Financial Performance

Planned activities to improve operational and financial performance include:

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Priority Four: Reassurance Policing

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What would stop or decrease to allow these changes?

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In addition, Police continues to review operating expenditure for further savings opportunities, without eroding service delivery standards. Operating savings of around \$21 million were made in 2009/10 to allow funding to be reallocated to priority activities and unavoidable cost pressures, *[information deleted in order to enable the Crown to carry out commercial activities without disadvantage or prejudice]*

Key areas where savings have been achieved include:

- travel;
- temporary and casual staff;
- leave management;
- fleet costs, including a reduction in the overall fleet size and refinements to maintenance and servicing regimes;
- professional services, including the Crown Solicitor.

Section 3: Summary of Financial Movements

This section details the changes to appropriations which are required to deliver the reprioritisation set out in section 2.

Police forecasts an efficiency saving in the 2009/10 financial year of \$20 million, *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

The only other financial adjustments for Vote Police, *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

The \$20 million efficiency saving in 2009/10, *[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*, have been reflected in the Treasury CFISnet system, and a copy of the resulting CFISnet Baseline Alignment Proposal – Summary Financial Report is attached.