

Reference: 20160194

23 June 2016



Thank you for your Official Information Act request, received on 3 June 2016. You requested the following:

- *“A copy of all briefings, aide memoires, and reports sent by Treasury to the Minister of Police’s office, and/or the Minister of Finance’s office, and/or NZ Police regarding Vote Police operating expenditure for 2016/17 and forecast pressures in Vote Police in preparation for Budget 2016 since 1 September 2015.*
- *A copy of all briefings, aide memoires, and reports sent by the Treasury to the Minister of Police’s office, and/or the Minister of Finance’s office, and/or NZ Police regarding Vote Police capital expenditure for 2016/17 since 1 September 2015.”*

Information Being Released

Please find enclosed the following document, which I have decided to release in full.

Item	Date	Document Description
1.	29 April 2016	Briefing for State Sector Reform and Expenditure Control Committee – Police Vehicle Fleet Item

Information Soon to be Publicly Available

The following documents are covered by your request and will be available on the Treasury website in early July as part of the Budget 2016 proactive information release - <http://www.treasury.govt.nz/publications/informationreleases/budget/2016/>.

Item	Date	Document Description
2.	24 November 2015	Treasury Report: Managing Baselines: Cabinet Paper
3.	10 February 2016	Briefing on Police Collective Agreements SOC Paper
4.	12 February 2016	Briefing for Cabinet Social Policy Committee – Police Collective Employment Agreement Negotiations Item
5.	4 March 2016	Aide Memoire: Briefing for budget meeting with Hon Amy Adams and Hon Judith Collins
6.	14 March 2016	Aide Memoire: Briefing for budget meeting with Hon Judith Collins

Accordingly, I have refused your request for these documents under section 18(d) of the Official Information Act – the information requested is or will soon be publicly available.

Some relevant information will be removed from the release versions of the documents and this information will continue to be withheld under the Official Information Act, on the grounds described in the documents.

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 fully covers the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Colin Hall
Manager, Justice and Security

New Zealand Police Vehicle Fleet Replacement Programme: Proposed Capital Expenditure 2016/17 to 2019/20

Responsible Person: Colin Hall, Manager, Justice & Security, 917-6227

First Contact Person: Alex Harrington, Senior Analyst, Justice & Security, 890-7239

Purpose

1. This paper provides an update on NZ Police's vehicle fleet replacement programme, and seeks approval to spend up to \$82 million of existing Police capital resources over the next four years to continue replacing vehicles.

Comment

2. Police has around 3,100 vehicles. Between 400 and 500 of these need to be replaced each year. Police funds the purchase of replacement vehicles with accumulated depreciation from previous vehicles.
3. While Police's vehicle replacement is a business-as-usual activity, Police periodically reports to Ministers seeking approval for a further tranche of vehicle replacements. This is because the rules around capital expenditure require Ministerial approval for investments greater than \$15 million, and Cabinet approval for investments greater than \$25 million [Cabinet Office Circular CO(15)5 refers].
4. Police has recently taken steps to reduce the cost and improve the efficiency of its vehicle fleet. These have led to a reduction in the proposed levels of capital expenditure for the next four years (\$20.5 million per year, as compared with \$24 million in the current year), and reduced operating costs. These steps include:
 - tendering the vehicle supply and fit-out contract as part of the Ministry of Business, Innovation and Employment's All-of-Government vehicle tender, which led to a price reduction;
 - increasing the use of smaller vehicles (e.g. 400 V6 Holden Commodores are being replaced with vehicles such as the Holden Cruze); and
 - implementing a pool vehicle booking system to increase vehicle utilisation rates.
5. Police also investigated leasing rather than buying vehicles, but found that leasing its vehicles would be considerably more expensive than ownership.
6. In our view, Police is managing its vehicle fleet appropriately. We are comfortable with Police proceeding with the proposed capital expenditure.
7. This paper is not affected by the Budget moratorium because there are no impacts on appropriations or on forecasts.

Treasury Recommendation

8. We recommend that you **support** the recommendations in this paper.

Title	Pg	Recommend	Fiscal Implications (\$m GST excl.)					Treasury Comment
			15/16	16/17	17/18	18/19	Out years	
New Zealand Police Vehicle Fleet Replacement Programme: Proposed Capital Expenditure 2016/17 to 2019/20		Support	<i>Operating</i>					Capital expenditure of up to \$82 million over the next four years would be funded from existing Police resources.
			-	-	-	-	-	
			<i>Capital</i>					
			-	-	-	-	-	