

The Treasury

Budget 2024 Information Release

September 2024

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Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - 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 otherwise to damage the public interest
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [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;
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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23 April 2024

Hon Mark Mitchell
Minister of Police
Parliament Buildings

Dear Mark

Budget 2024 decisions – Vote Police

Following our discussions over the past weeks, this letter confirms the decisions made as part of Budget 2024 and provides some additional information regarding the context for the decisions and expectations of Police.

Restoring law and order is a key objective for our Government and we have prioritised investment in Police to help achieve this. In Budget 2024 we are providing funding to increase the number of Police by 500 new officers from the time we were sworn into Government. This is a significant investment and is intended to ensure New Zealanders feel safe in their communities. Further funding is also being provided to renew Police's fleet and address frontline remuneration pressures.

Through the course of developing this investment package Police has raised concerns about the cost pressures it faces and the viability of achieving savings while maintaining service levels. I understand that Police has met its cost pressures to date through a mix of temporary savings from vacancies and ad hoc funding requests. I do not consider this to be sustainable.

In response to the concerns raised by Police, I have decided to reduce the amount of savings Police is required to find in Budget 2024 and to provide funding in 2024/25 to address its cost pressures. The level of funding provided recognises that I consider it is important that Police contribute some level of savings and that it continues to focus on improving efficiency.

While it is clear that Police are facing pressures, it is also clear to me that there are structural issues that need to be examined so that we can be confident that Police is carrying out its core functions efficiently and sustainably.

The recent Independent Rapid Review recommended that Police undertake a thorough assessment of its roles and functions in consultation with other impacted agencies and present this to Ministers with a view to improving Police's cost efficiency and the effectiveness of services. I am also interested in improving financial oversight of Police, getting a clearer picture of its cost drivers and performance metrics and having a discussion on what key deliverables the Government wishes to purchase from Police.

This is an important but comprehensive piece of work and I have agreed to provide Police with \$120 million of cost pressure funding in 2024/25 while the above work is carried out.

This funding is in recognition of Police's cost pressures but also comes with a clear expectation that our commitment to maintaining frontline services and increase Police officers by 500 is delivered. I expect that the savings I am requesting from Police will have no impact on frontline services and that above review be carried out well ahead of Budget 2025. I ask that you work with Police to ensure our investment at this Budget will achieve what it is intended to.

I also ask that you work with Police to ensure it is focused on sustainable as well as efficient and effective operations, with the aim that Police is able to effectively manage cost pressures without the need for ongoing new funding. The planned review of Police's cost drivers and performance metrics will enable us to ensure investment is being directed in the correct areas.

A reminder that these decisions remain Budget Sensitive and should only be shared on a need-to-know basis. My office will provide further advice on the approach to Budget communications. Thank you again for your support towards the successful delivery of Budget 2024.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nicola Willis', with a stylized flourish at the end.

Hon Nicola Willis
Minister of Finance

Cc Hon Casey Costello, Associate Minister of Police
Andrew Coster, Commissioner of Police – New Zealand Police

Vote Police

Budget 2024 Package as at 23 April

All operating values are in average per annum and capital values are total capital, unless otherwise stated. Figures may not sum to totals due to rounding. Initiatives are listed under lead portfolio.

New Spending	Savings and Revenue
<p>Pre-commitments</p> <ul style="list-style-type: none"> [33] <p>Cost Pressures</p> <ul style="list-style-type: none"> ID 16148: 2024/25 cost pressure funding to allow wider work to occur * <i>Operating: \$30.0m (\$120.0m in 2024/25 only)*</i> <p>Capital Cost Escalations</p> <ul style="list-style-type: none"> ID 15779: Police Fleet Renewal Programme – Vehicles and Vessels <i>Operating: \$7.2m, Capital: \$34.0m</i> <p>Government Policy Commitments</p> <ul style="list-style-type: none"> ID 15784: Investing in Frontline Policing: Delivering 500 additional constabulary officers <i>Operating: \$47.8m Capital: \$34.6m</i> 	<p>Baseline Savings</p> <ul style="list-style-type: none"> ID 15791: Reduction of Corporate Support Functions – New Zealand Police Operating: (\$13.8m)
<p>Total New Spending Initiatives Operating: [33] Capital: \$68.6m</p>	<p>Total Savings and Revenue Initiatives Operating: (\$13.8m), Capital: -</p>
<p>Net Total: Operating: [33] Total Capital: \$68.6m</p>	

*Denotes no outyears funding (time-limited).