



JOINT BRIEFING FOR THE MINISTER OF POLICE AND MINISTER OF TRANSPORT

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| Priority | <input checked="" type="checkbox"/> Urgent <input type="checkbox"/> Time-Sensitive <input type="checkbox"/> Routine <i>This briefing must be approved and received by the Treasury prior to 11 April 2024 prior to the commencement of the Budget Moratorium as it includes impacts on the 2023/24 financial year.</i> | | |
| Title | Request for road policing fiscally neutral adjustment | | |
| Date | 3 April 2024 | Reference | BR/24/44 |

Purpose

1. This briefing seeks your endorsement to drawdown \$9.261 million of *Road Safety Programme* appropriation from 2021/22 and 2022/23 to partially offset road policing cost pressures in the 2023/24 financial year arising from the 2023/24 Collective Employment Agreements (CEAs).
2. Following your endorsement, approval from the Minister of Finance is needed ahead of lodging a request for a fiscally neutral adjustment to the appropriation with the Treasury by 11 April 2024.

Key messages

- The 2021–24 *Road Safety Programme* appropriation provides New Zealand Police with \$1.243 million from the National Land Transport Fund (NLTF) over three years to deliver the road policing activities set out in the Road Safety Partnership Programme (RSPP).
- This NLTF funding is allocated each financial year and was underspent by \$9.261 million in 2021/22 and 2022/23.
- Police intends to use this underspend to address approximately half the Collective Employment Agreement-related costs to the RSPP in 2023/24. The NZ Transport Agency Waka Kotahi supports this.
- This requires a request for a fiscally neutral adjustment to the appropriation be lodged with the Treasury by 11 April 2024.
- Your endorsement and the Minister of Finance's subsequent approval are required for this.

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Recommendations


Police and NZTA recommend that Ministers:

- a) **approve** the fiscally neutral adjustment from Vote Transport to Vote Police to provide for cost pressures associated with CEA increases. Yes/No Yes/No Yes/No
Finance Police Transport
- b) **approve** the following changes to appropriations, with no impact on the operating balance and/or net debt across the forecast period; Yes/No Yes/No Yes/No
Finance Police Transport

| | \$m – increase/(decrease) | | | | |
|---|---------------------------|---------|---------|---------|--------------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 & Outyears |
| Vote Police Minister of Police Departmental Output Expense: Road Safety Programme (Funded by revenue Crown) | 9.261 | - | - | - | - |
| Vote Transport Minister of Transport Non-departmental Capital Expenditure: National Land Transport Programme | (9.261) | - | - | - | - |

- c) **agree** that the proposed changes to appropriations in 2023/24 above be included in the 2023/24 Supplementary Estimates of Appropriations and that, in the interim, the increases be met from Imprest Supply. Yes/No Yes/No Yes/No
Finance Police Transport

Ministers' comments and signature

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| <p>..... / / 2024</p> <p>Hon Mark Mitchell Minister of Police</p> | <p>..... / / 2024</p> <p>Hon Nicola Willis Minister of Finance</p> |
| <p> 4 April 2024</p> <p>Hon Simeon Brown Minister of Transport</p> | <p>Note: Minister Brown notes that this is part of good faith negotiations over the next Road Safety Partnership Programme</p> |

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Request for road policing fiscally neutral adjustment

Background

3. Road policing in New Zealand is funded through the National Land Transport Fund on a three-yearly cycle in accordance with the Land Transport Management Act 2003.
4. A programme of road policing activities, currently known as the Road Safety Partnership Programme (RSPP), was agreed to by Police, the NZ Transport Agency Waka Kotahi (NZTA), and the Ministry of Transport and subsequently approved by Ministers. The appropriation provides \$1.243 billion funding over three years via Vote Police to deliver the RSPP as part of the 2021–24 National Land Transport Programme.
5. There was a total of \$9.261 million unspent in 2021/22 and 2022/23, mostly made up from an underspend in the Road Policing Change Initiatives Investment Plan¹ and a smaller amount from a baseline underspend.
6. Police is seeking a fiscally neutral cost adjustment to move the remaining \$9.261 million funding from the 2021/22 and 2022/23 financial years into 2023/24, which is expected to address half of the estimated CEA-related funding shortfall.
7. Officials from Police and NZTA have met and agreed to support this request. This was in the context of confirming key aspects of the remainder of this RSPP and the upcoming arrangements for the next 2024–27 period.
8. Table 1 below show the source of the \$9.261 million across the 2021–24 RSPP, while Table 2 shows the road policing portion of the 2023/24 CEA cost pressures that the funding from the NLTF is being sought for.

Table 1: Breakdown of remaining Road Safety Programme funding

| Vote Police | \$m | | | |
|---|---------|---------|---------|----------|
| | 2021/22 | 2022/23 | 2023/24 | Total |
| 2021/24 Road Safety Programme Budget (Funded by National Land Transport Fund) | 400.900 | 416.500 | 426.100 | 1,243.50 |
| 2021/24 Road Safety Programme Actuals | 393.671 | 414.468 | - | 808.139 |
| Underspend | 7.229 | 2.032 | - | 9.261 |

Table 2: CEA road policing anticipated cost composition.

| Collective Employee Agreement cost pressures (Road Policing portion) | \$m |
|--|---------------|
| Employee and Constabulary CEA 21/23 (2023/24 funding shortfall) | 3.585 |
| Employee CEA 23/24 | 3.479 |
| Constabulary CEA 23/25 (Bargaining ongoing) | 11.508 |
| Total CEA impact 2023/24 | 18.572 |

¹ The Change Initiatives Investment Plan is a set of projects and programmes that enable road policing activities to be conducted efficiently and effectively with appropriate tools and technologies.

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9. An earlier paper to Cabinet (reference: CAB-24-MIN-0060) detailed the cost pressures Police is experiencing as a result of the 2023/24 CEA related increases. The drawdown of these funds from the NLTF would help close this funding gap.
10. If this fiscal adjustment is not approved, Police will need to seek additional funding from the Crown to cover this shortfall.

Next steps

11. Following your endorsement of this adjustment, approval will need to be sought from the Minister of Finance by the Minister of Police as the appropriation Minister.
12. The approval and subsequent lodging of the request are required by the Treasury by 11 April 2024.



Jevon McSkimming
Acting Commissioner,

New Zealand Police



Nicole Rosie
Chief Executive

NZ Transport Agency

NEW ZEALAND POLICE

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| First contact | Jevon McSkimming, Acting Commissioner of Police | s 9(2)(a) |
| Second contact | Superintendent Steve Greally, Director: Road Policing | s 9(2)(a) |

NZ TRANSPORT AGENCY

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|-----------------------|--|-----------|
| First contact | Nicole Rosie, Chief Executive | s 9(2)(a) |
| Second contact | Chris Bunny, Group General Manager System Leadership | s 9(2)(a) |