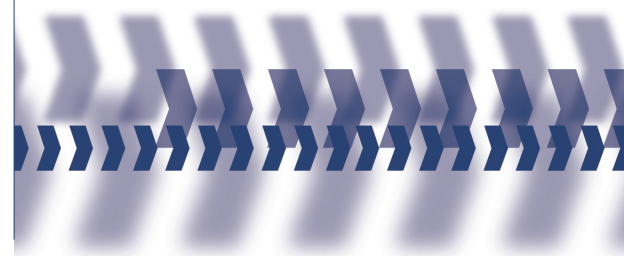


NEW ZEALAND POLICE
2009/10 ANNUAL REPORT





NEW ZEALAND POLICE 2009/10 **ANNUAL REPORT**



New Zealand Police Annual Report

for the Year Ended 30 June 2010

Presented to the House of Representatives
pursuant to section 44(1) of the Public
Finance Act 1989

ISSN: 1177-1526 (Print)

ISSN: 117-1815 (Online)

Minister of Police Wellington

Pursuant to the provisions of Section 101 of
the Policing Act 2008 and Section 44(1) of
the Public Finance Act 1989, I submit my
report on the operations of the
New Zealand Police for the year ended
30 June 2010

Howard Broad

Commissioner of Police

© Crown Copyright



This work is licensed under the Creative Commons Attribution 3.0 New Zealand licence. In essence, you are free to copy, distribute, and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms. To view a copy of this licence, visit the Creative Commons website at <http://creativecommons.org/licenses/by/3.0/nz>.

Note that no departmental or governmental emblem, logo, or Coat of Arms may be used in any way that infringes any provision of the Flags, Emblems, and Names Protection Act 1981. Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo, or Coat of Arms.



OUR VISION

The New Zealand Police's vision is to build "safer communities together".

OUR MISSION

The New Zealand Police's mission is to be a world-class police service working in partnership with citizens and communities to prevent crime and road trauma, enhance public safety and maintain law and order.



Contents

Commissioner's Overview	1
1 Strategic Context	4
1.1 Government priorities.....	4
1.2 Strategic framework.....	4
1.3 Outcomes.....	5
2 Intermediate Outcomes and Key Achievements	6
2.1 Introduction	6
2.2 Intermediate outcome 1 – confident, safe and secure communities	7
2.3 Intermediate outcome 2 – less actual crime and road trauma, fewer victims.....	10
2.4 Intermediate outcome 3 – a world-class police service.....	18
3 Reducing Inequalities	23
3.1 Initiatives to reduce offending and victimisation.....	23
4 Organisational Health and Capability.....	25
4.1 Equity and diversity	25
4.2 Recruitment and appointment.....	25
4.3 Supporting people with disabilities.....	25
4.4 Employee statistics	26
4.5 Remuneration	31
5 Statement of Service Performance	32
5.1 Statement of responsibility.....	32
5.2 Statement of service performance for the year ended 30 June 2010.....	33
6 Financial Statements	54
6.1 Financial statements for the year ended 30 June 2010.....	54
6.2 Audit report.....	82
7 Information Required by Statute	85
7.1 Interception warrants.....	85
7.2 Call data warrants	87
7.3 Road blocks	87
7.4 Tracking warrants.....	88
7.5 Bodily samples.....	88



List of Figures

Figure 1: Policing Excellence work streams	6
Figure 2: Public trust and confidence in New Zealand Police, 2007/08–2009/10.....	7
Figure 3: Total recorded crime rate, 2000/01–2009/10	11
Figure 4: Serious assaults resulting in injury, 2000/01–2009/10.....	11
Figure 5: Vehicles stolen, 2000/01–2009/10.....	11
Figure 6: Rolling 12 month road deaths compared to the target line 2001–2010.....	12
Figure 7: Road crash casualties, population and vehicle fleet compared to 2001.....	12
Figure 8: Child abuse offences, 2005/06–2009/10.....	14
Figure 9: Alcohol offences, 2007/08–2009/10.....	15
Figure 10: Breach of liquor ban offences, 2007/08–2009/10.....	15
Figure 11: Drug offences, 2007/08–2009/10	16
Figure 12: Total recorded offences for assault on Police.....	21
Figure 13: Full-time equivalent staff, 2008–2010.....	26
Figure 14: Staff (full-time equivalents), 2009 and 2010.....	27
Figure 15: Employees by gender, 2009 and 2010.....	29
Figure 16: Ethnic profile of New Zealand Police (2009 and 2010) and New Zealand population (2006).....	29
Figure 17: Constabulary staff by rank and gender, 2009 and 2010	30
Figure 18: Staff who do not hold the office of constable by rank and gender, 2009 and 2010	30
Figure 19: Number of staff by salary band, 2009/10	31
Figure 20: Interception warrants (under the Misuse of Drugs Act 1975), 2007/08–2009/10.....	85
Figure 21: Interception warrants (under the Crimes Act 1961), 2007/08–2009/10.....	86
Figure 22: Call data warrants (under the Telecommunications (Residual Provisions) Act 1987), 2007/08–2009/10.....	87
Figure 23: Tracking warrants (under the Summary Proceedings Act 1957), 2007/08–2009/10.....	88
Figure 24: Bodily samples (under the Criminal Investigations (Bodily Samples) Act 1995), 2009/10.....	88



OUR VALUES

Integrity – Professionalism – Respect – Commitment to Māori and Treaty



Commissioner's Overview

Introduction

The 2009/10 year presented an opportunity to refine the New Zealand Police business model.

Economic challenges of the previous year provided a springboard for innovative thinking across the organisation. Staff at all levels contributed ideas about how Police could evolve to meet the needs and expectations of New Zealanders and the Government well into the future.

The results fed into a series of improvement projects under the banner of Policing Excellence. These projects are geared towards enabling the organisation to respond to changing demands, put resources where they are most needed, focus on prevention, and respond better to victims.

While this work progressed, Police achieved excellent results in priority areas, including organised crime, violence, and alcohol misuse.

Strikes against drugs and organised crime

The Methamphetamine Control Strategy developed in 2009 put unprecedented national focus on the police response to this destructive drug.

In October, the successful termination of Operation Abyss struck at a criminal network involved in the manufacture and sale of methamphetamine. It was led by the Organised and Financial Crime Agency New Zealand (OFCANZ) and involved over 100 staff from more than six government agencies, including Police.

The operation demanded months of painstaking work, however, it showed the great potential through collaboration to make New Zealand an increasingly difficult environment for organised crime groups to operate in.

In the last two months of 2009/10, Police concluded a series of 12 operations involving more than 380 staff. This resulted in nearly 400 arrests for drug-related offences and the discovery of hundreds of thousands of dollars worth of methamphetamine, cannabis, stolen property, and property obtained through criminal activity.

Cannabis networks continued to be targeted during the year in review, and the link between cannabis and other areas of crime such as burglary, stolen cars, intimidation and serious violence was again evident.

The National Cannabis Crime Operation destroyed around 120,000 plants and led to nearly 900 arrests. Operation Lime in April 2010 hit hard at commercial cannabis cultivation, resulting in more than 700 charges against 250 alleged offenders.

New legislation significantly strengthened police's capability to get to the root of organised crime.

The Criminal Proceeds (Recovery) Act 2009 saw police recovering vehicles, boats, cash and property acquired through criminal activity.

Within six months of the legislation coming into force in October 2009, Asset Recovery Units had placed \$19.7 million worth of assets into the custody of the Official Assignee.

Police capability to identify and act against criminals was enhanced by previous years' investment in our intelligence systems. There is scope for both the National Intelligence Centre and the Financial Crime Group to make increasingly proactive use of legislative tools by acting on intelligence gathered about suspicious transactions.

Violence

Reducing violence is a high priority for Police. Police is particularly concerned by levels of violence against our most vulnerable citizens – children.

Police receive more than 5,000 reports of child abuse a year. Most cases are handled extremely well with the safety of children the paramount concern.

An interim report by the Independent Police Conduct Authority was released in May 2010, on police handling of child abuse investigations made several recommendations. Several of these had already been identified and are being implemented by Police. Police welcomed the authority's further recommendations and we are committed to taking whatever action is necessary to do our absolute best for children at risk.

Our approach to all family violence, including child abuse, is strengthened by Police's new Family Violence Policy. This policy emphasises the importance of police working in partnership with other agencies and the community to address root causes with appropriate interventions. For example, Te Pou Herenga Waka is a multi-agency facility that opened in Counties Manukau in June 2010. Staff from Police, Child Youth and Family, and Counties Manukau District Health Board work under one roof to help child and adult victims of sexual and physical abuse.

During the year, preparations were put in place for the introduction of Police Safety Orders (PSOs). From July 2010, these allow police to take action to protect a person even when unable to charge someone with an offence. PSOs provide an important additional tool in our efforts to reduce family violence.

Staff safety

While our staff strive to reduce violence in the community, they risk becoming targets themselves.

This threat was highlighted in February 2010, when three officers were viciously attacked in separate incidents.

The safety of our staff remains a high priority and we are constantly assessing policies, procedures and the equipment needed to keep officers from harm.

We welcomed the rollout of Taser throughout all districts. It is notable that in 90 percent of cases where Taser was presented, the situation was successfully de-escalated without the Taser being discharged.

An extensive review of firearms training and accessibility of firearms to police was commenced. Recommendations are due by the end of 2010.

Alcohol misuse

Alcohol abuse contributes to a significant proportion of calls for police service. Alcohol impacts all areas of police work, including road crashes, family violence, violence on the streets, homicides and sexual assaults. At least 18 percent of the police budget is soaked up by the effects of alcohol misuse.

Because alcohol misuse is such a critical issue for Police, we made a comprehensive submission to the Law Commission as

part of its review, 'Alcohol in our Lives'. Our submission focused on our areas of expertise, such as licensing and enforcement. Many of our recommendations were reflected in the Law Commission's final report.

Police already actively enforce current laws around liquor bans, licensing and alcohol-fuelled crime. Police looks forward to enactment of Government's decisions in this area.

Road policing

The best and worst of New Zealand drivers were shown over two holiday periods. The Easter road toll was the worst in 17 years, prompting a national focus on safe driving over Queen's Birthday weekend. The result was a road toll of one – one too many, but an improvement on 10 deaths during the previous Queen's Birthday weekend.

Throughout the year, police districts led initiatives to tackle road safety issues specific to those districts. Among them, Operation Centreline in Central District focused on overtaking, failing to keep left, careless and dangerous driving. In just five hours, 54 drivers in the Manawatu Gorge were photographed driving on the wrong side of the road.

The danger caused by drivers who flee from police stops is constantly with us. The way police deal with fleeing drivers was again considered, with the fourth review in six years. The decision to pursue fleeing drivers is never taken lightly and risk is assessed before and during each incident. Our first concern is always public and staff safety.

Technology plays a growing role in road safety. Southern District Police trialled the use of Secure Mobile Access and Reporting Technology (SMART) devices to issue infringement notices for traffic offences from April 2010.

SMART devices give staff direct access to information about the vehicles and drivers they stop rather than queries being relayed through police communications centres. Direct data entry also allows for greater efficiency in issuing infringement notices.

New legislation bolstered police's ability to address dangerous and antisocial driving. We welcomed changes around drugged driving and restrictions on the use of cell phones while driving. Cell phone restrictions have been enforced across all districts with over 550 infringement notices issued on average each month. Legislation around illegal street racing and antisocial driving gave strength to police in local districts where a 'boy racer' culture threatened communities' sense of safety.

International policing

Police employs more than 600 staff of Pacific descent, so the October 2009 tsunami in Samoa was deeply felt within the organisation.

Police contributed to the emergency response by sending specialist staff to assist with search and rescue, victim recovery and victim identification.

Throughout the year, police successfully contributed to the New Zealand inter-agency security arrangements of international events, including:

- the Hockey World Cup, New Delhi
- the FIFA World Cup, South Africa
- ANZAC Day celebrations, Gallipoli
- Expo 2010, Shanghai.

Peace support and capacity development programmes continued in Afghanistan, Solomon Islands, Bougainville, and Timor Leste, as well as a growing number of projects and longer-term assistance programmes in the Pacific region and beyond.

Staff numbers and community engagement

Through all the initiatives and developments of 2009/10, our Community Policing philosophy stayed constant.

This approach brings a community-centred, proactive mindset to police activity. It aims to provide protection and reassurance to the community by working in problem-solving partnerships.

Increased use of tasking and coordination processes, aligned with improved use of intelligence, is helping police pinpoint crime and crash and provide reassurance in their local areas, by targeting deployment of resources.

As strong, ongoing community engagement and long-term problem-solving are key to the community policing approach, the injection of significant new staffing resource over the year had welcome impact. Extra staff in Counties Manukau District in 2009/10 addressed major service response issues that have affected Police over many years. Local staff were more able to engage in longer-term problem solving with agencies and community groups.

Across all districts, police continued to realise the value of strong partnerships with other government agencies, non-government agencies, communities, and individuals.

Several new forms of engagement were initiated, all with potential for considerable growth:

- Manurewa and Queenstown police stations ran Facebook sites targeting the identification of alleged criminals; Bay of Plenty used Twitter to distribute media releases and alerts
- Crimestoppers launched in October 2009, allowing the public to report crime anonymously to an independent organisation. Almost 3,200 crime-related calls and emails were received in its first six months
- A newly formed Crime Prevention Partnership Forum agreed a formal relationship between Police and business in June, creating a significant new avenue for crime prevention and reduction.

Conclusion

The year marked a substantial rethink about how Police can do the best for New Zealanders. The fiscal constraints have provided an opportunity for change.

Strong foundations for productive change were laid down, which will see a change of emphasis over the next two to three years as more resources are deployed into crime prevention and neighbourhood policing. The coming year will bring challenges, as the nuts and bolts of implementation are worked through, but also rewards, as initial benefits are realised.

The work highlighted in this report represents a fraction of the achievements of Police employees during this period. Police staff have dealt with new technology, legislation and procedures, as well as their difficult daily duties, in a way in which all New Zealanders can all be proud.



Howard Broad

Commissioner of Police

30 September 2010

PART 1

Strategic Context

The 2009/10 financial year began with the global economy in the midst of the deepest recession since the 1930s. The contraction of economic activity, rising unemployment, and falling tax revenue were universal features. As an open, trading country, New Zealand was impacted.

The Government's response was to focus on three objectives during the year: help New Zealanders through the recession and support jobs, increase productivity and raise New Zealand's international competitiveness, and take steps to keep future government debt under control. The Government shifted resources to the front line and aimed for improved services and better living standards.

As a result, in 2009/10, public services were delivered against a difficult fiscal backdrop. An emphasis on effectiveness and efficiency became a strong feature of decision-making. 'Doing more with less' resulted in pressure on the state sector to be more innovative when confronting seemingly intractable problems.

Although the recession was the year's headline feature, other drivers shaped the delivery of public services in 2009/10. Increasingly portable networking technology, for example, has seen individuals' expectations of how they interact with organisations change rapidly and created the potential for new types of offending.

1.1 Government priorities

In keeping with its desire to maintain front-line public services while putting New Zealand on a firmer financial footing, the Government increased its spending in some areas. In the justice sector, this meant addressing the functioning and efficiency of criminal court processes, improving the responsiveness of the justice system to victims and reducing alcohol-related harm and cost.

For the New Zealand Police, additional funding contributed to delivering on three immediate Government priorities:

- recruiting 300 additional police for Counties Manukau District by the end of 2010 and a further 300 police throughout the country by the end of 2011

- implementing a new Police Toolkit (including increasing the availability of Tasers and training in their use, and expanding police DNA investigation powers and their ability to issue Police Safety Orders (PSOs) in family violence events)
- clamping down on gangs and drugs.

Police also progressed four of the Government's longer-term priorities:

- reassurance policing (to improve police visibility and response)
- priority offenders (to steer prolific offenders away from a life of crime through interagency collaboration)
- traffic safety (to reduce harm from road trauma and act on public concerns about antisocial behaviour in vehicles)
- youth justice (to hold young

offenders to account and prevent re-offending).

1.2 Strategic framework

Police responded to the Government's immediate priorities, along with other operational and organisational imperatives, by focusing its efforts on:

- **strategic themes**
 - organised crime, including gangs and drugs
 - service excellence
 - violence, including family violence
 - alcohol misuse
 - community/Māori engagement
- **strategic change initiatives**

- recruitment and retention of police for Counties Manukau District
- implementation of the new Police Toolkit
- criminal justice improvements
- intelligence
- case management
- **enablers**
 - people in policing, including integrity and accountability, leadership and training, and performance
 - technology, including digital radio.

Police also formalised a series of Performance Improvement Actions aimed at delivering better services and value for money. These Actions, collectively known as 'Policing Excellence', will be implemented through to 2014/15.



1.3 Outcomes

Throughout 2009/10, the primary outcome for Police was the shared justice sector outcome *Safer Communities*. Police delivered on three intermediate outcomes to support this high level outcome:

- 1 Confident, safe and secure communities.
- 2 Less actual crime and road trauma, fewer victims.
- 3 A world-class police service.

Intermediate outcome 1: confident, safe and secure communities

The outcome of confident, safe and secure communities contributes significantly to *Safer Communities*. In 2009/10, Police participated in the Government's multi-agency Fresh Start programme that focused on serious and persistent young offenders, and worked with Māori, Pacific and ethnic communities to help set policing priorities and address drivers of crime.

Police also advanced work on identifying and managing high-risk offenders, both through the intelligence-led tasking and coordination process and with partner agencies. The introduction of PSOs provided police with an additional family violence intervention option.

These fundamentals of reassurance policing were complemented by Police's work beyond New Zealand's borders supporting law enforcement with other police agencies, capacity building, and responding to disasters.

Intermediate outcome 2: less actual crime and road trauma, fewer victims

Reducing criminal offending and road trauma has significant social and economic benefits, and contributes to the justice, transport, and external sectors' outcomes. Road policing focused on the 'fatal five' of speeding, drink and drugged driving, restraints, dangerous and careless driving, and high-risk drivers. Legislative changes imposed penalties for driving while drugged, restricted mobile phone use while driving, and provided more options for dealing with antisocial behaviour in vehicles. Police prepared for expansion of its DNA sampling powers and continued to implement Tasers.

In 2009/10, Police targeted gang-related offending, organised and financial crime, and the supply of illicit drugs. Police worked on reducing violence, including family violence and child abuse, and the impact of alcohol misuse on people's lives. Alternative methods for resolving cases were designed, options for allowing police employees to become more mobile were explored, and following a pilot of the non-emergency Crime Reporting Line, Police agreed on wider implementation - all as part of Policing Excellence.

Intermediate outcome 3: a world-class police service

The success of intermediate outcomes 1 and 2 depends on the capability and capacity of police staff and resources. In 2009/10, Police made significant progress in recruiting and deploying extra constables for the Counties Manukau District and invested in staff development programmes.

Innovations aimed at improving information and communication technology continued, and case management – which will fundamentally change how Police manages its investigations – achieved several major milestones. Significant progress was also made on service excellence, digital radio and intelligence-related initiatives.

Police continued to embed actions arising from the 2007 Commission of Inquiry into Police Conduct and committed to acting on recommendations from the Office of the Auditor-General and the Independent Police Conduct Authority.

Many of the Policing Excellence work streams are designed to contribute to this intermediate outcome. Rostering to reduce demand, asset management, cost recovery, performance management, stakeholder engagement, support services to the frontline and taking advantage of opportunities offered by the Policing Act 2008 are all aimed at improving services and providing better value for money; in short, a world-class police service.

PART 2

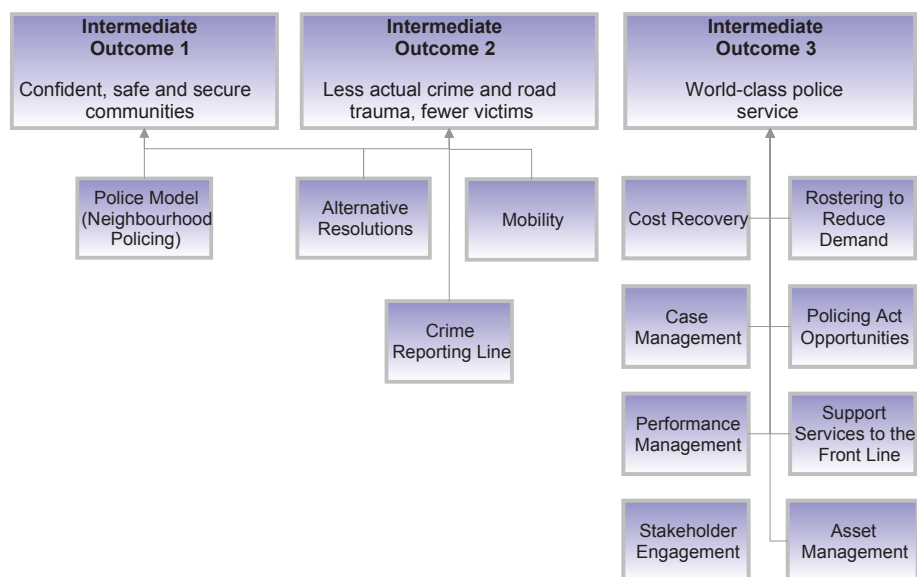
Intermediate Outcomes and Key Achievements

2.1 Introduction

Police's strategic themes, strategic change initiatives and enabling initiatives are consistent with Governments priorities for Police. All priorities contributed to one or more Police intermediate outcomes and the primary police outcome of *Safer Communities*.

As already outlined, in 2009/10, Police developed the Policing Excellence portfolio of Performance Improvement Actions. Each Policing Excellence work stream (as illustrated in Figure 1) is explained under the most relevant intermediate outcome throughout this report. Some work streams apply to more than one intermediate outcome.

Figure 1: Policing Excellence work streams



2.2 Intermediate outcome 1 – confident, safe and secure communities

Intermediate outcome 1 focuses on helping communities reduce crime, improve safety through partnerships with iwi and other ethnic groups, providing programmes for children and youth at risk of offending (or offenders), reducing family violence through use of PSOs and meeting international obligations by providing policing services to overseas communities.

The Policing Excellence work stream called the Police Model (Neighbourhood Policing) was initiated this year and aims to deliver a better and more visible policing service at a neighbourhood level, including deploying neighbourhood policing teams, case management processes that address victims' needs, and identification of priority locations. In 2009/10, the Police Executive Committee endorsed the stage one business case for this model.

The successful implementation of neighbourhood policing is intended to prevent crime and crashes, reduce demand for police services, improve public safety and satisfaction, provide more effective and efficient use of police resources to deliver safe communities and a first-class service to victims.

Indicators

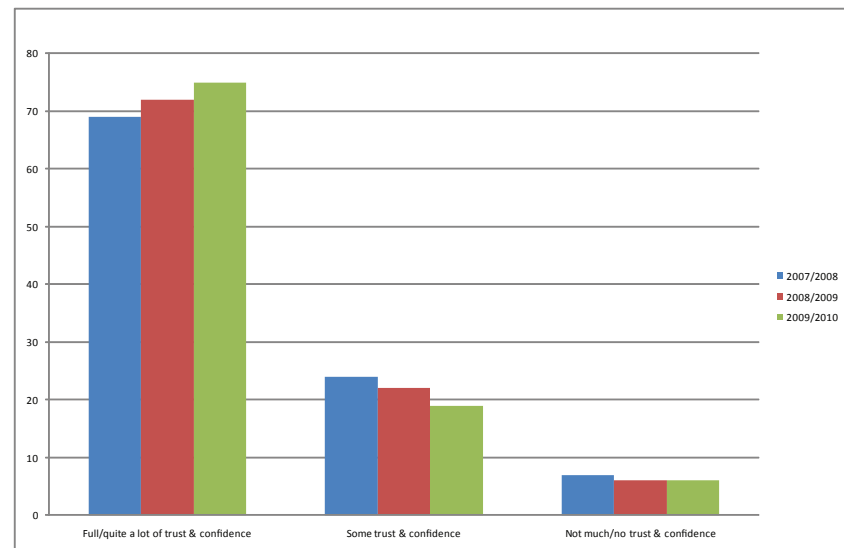
The main indicators for intermediate outcome 1 are public satisfaction and public trust and confidence.

Public satisfaction

Public satisfaction with the quality of police service is measured through the annual Citizens' Satisfaction Survey. This survey was conducted for the third time in 2009/10.

The survey asked people who had contact with police in the six months

Figure 2: Public trust and confidence in New Zealand Police, 2007/08–2009/10



Note: n = 9,291.

Source: Citizens' Satisfaction Survey 2010 conducted by Gravitas Research and Strategy Limited.

before the survey about their level of satisfaction with police services. Overall, satisfaction with the quality of service delivery remained the same from 2008/09 to 2009/10, with 79% of respondents either very satisfied or somewhat satisfied.

The survey asked people about the service they had received in relation to six drivers of satisfaction:

- service experience met your expectations
- staff were competent
- you were treated fairly
- staff kept their promises – that is, they did what they said they would do
- your individual circumstances were taken into account
- an example of good value for tax dollar spent.

Results for four drivers were similar to previous years' results. Of the respondents:

- 91% agreed or strongly agreed that the staff member they dealt with was competent
- 85% agreed or strongly agreed that staff did what they said they would do
- 89% agreed or strongly agreed that they were treated fairly

- 88% said the service they received was about the same, better, or much better than they had expected.

The share of respondents with 'neutral' ratings for the other two drivers has increased:

- 73% agreed or strongly agreed that their individual circumstances were taken into account
- 70% felt their service was an example of good value for tax dollars spent.

Public trust and confidence

The Citizens' Satisfaction Survey results show an increase in the levels of trust and confidence in Police over the three years of the survey. This year, 75% of the 9,291 respondents reported *full or quite a lot of trust and confidence* in Police. This is an increase on the previous two years' results (72% in 2008/09 and 69% in 2007/08).

In addition, 75% of respondents agreed Police are responsive to the needs of the community and 67% agreed Police are involved in community activities (both results are consistent with last year's results).

Key achievements

Community engagement

Police set up and led a crime prevention partnerships forum that involved problem solving with retailers and the security industry.

Constabulary employees were provided to mentor participants in the Limited Service Volunteer Scheme (operated by the New Zealand Defence Force) to improve employment outcomes for young adults and improve social outcomes (e.g. by diverting young adults from gangs).

Enhanced training for police was provided with a new community reassurance course that focused on solving district crime problems in a community setting.

Community-focused initiatives include Crimestoppers (see Box 1), Operation SNAP (Serial Number Action Partnership) (see Box 2) and Districts using Facebook to engage with communities and gather intelligence (Box 3).

Police continues to work closely with Community Patrols of New Zealand and hosted the national manager of Neighbourhood Support New Zealand. Support was provided to both groups through signage, printed materials and training aimed at preventing crime.

Other agencies that the National Community Policing Group worked with to prevent crime and improve safety were Local Government New Zealand, Community Boards of New Zealand, New Zealand Drug Foundation, Safer Communities Foundation, Federated Farmers, New Zealand Scrap Metal Association, Rural Women, Age Concern, and the Foundation for the Deaf.

In 2009/10 partnerships with agencies in Nelson and Christchurch were established to develop the Report It and Speak Out initiatives. Report It is a Christchurch website that helps students to report incidents of bullying and harassment. Speak Out is a Nelson initiative that encourages communities to report racism.

Box 1: Crimestoppers

Police have worked closely with the independent New Zealand charity Crimestoppers. Crimestoppers gives people a simple and anonymous way to pass on information about crime and criminals to Police and other law enforcement agencies.

In the first six months of operation, Crimestoppers received nearly 3,200 calls, of which over 1,300 were categorised as actionable by police. The main crime attracting information is the manufacture, supply and distribution of drugs, followed by theft in all forms, the whereabouts of wanted persons, the location of illegal weapons, traffic offences such as driving while disqualified and driving while under the influence of alcohol or drugs, and sexual offences.

As a result of this information, police have arrested and charged offenders, recovered drugs, illegal weapons and stolen items, and contributed to our intelligence database.

Box 2: Operation SNAP

Early in 2010, Operation SNAP (Serial Number Action Partnership) restarted in the Waikato District. The operation aims to collect serial numbers from domestic goods that can be provided to police in the event of a dwelling burglary.

The operation launched a self-service website (www.snap.org.nz) where the public can, free of charge, store and retrieve details of their property and valuable items. The operation also encourages people to participate in a range of community-based initiatives designed to beat burglary and stop the trade in stolen property.

Other initiatives include deploying ultraviolet (UV) torches so front-line staff can detect UV property markings, working with major second-hand dealers and venues to deter the trade in stolen property, and deploying forensic property-marking kits to all 275 Ministry of Education schools in the Waikato.

Box 3: District Facebook initiative

Police in Manurewa and Queenstown stations are using Facebook to gather intelligence from their local communities. Recent statistics showed 39% of the New Zealand population use Facebook and the proportion using social networking sites seems likely to increase.

Queenstown police launched their Facebook page successfully in December 2008.

The fastest result was CCTV footage of a shoplifter in a chemist that was uploaded onto Facebook. It took only 34 minutes for the out-of-towner to be correctly identified from the page. Internet based social networking has significant potential to enable police to interact with surfers and the community who are difficult to reach through other more traditional means.

Māori

Police engagement with Māori and their communities in 2009/10 included:

- development of Māori Knowledge Profiles to align Police district responsibilities with Responsiveness to Māori programmes, structures, and strategies. The profiles provide police with information to assist iwi in determining local crime priorities, developing processes to ensure participation, decision-making, and consultation with Māori, identifying who needs protection, and determining how to develop partnerships that will bring direction to the development of district Iwi-led Crime Prevention Plans
- a partnership approach with Māori Wardens to reduce crime. Police provided vans and radios for Māori Wardens to improve their visibility, effectiveness and communications

Box 15, later in this report, provides examples of iwi initiatives to reduce crime and improve victim support.

Ethnic peoples

Police has made significant gains in its commitment to building trust and partnerships with culturally diverse communities through effective consultation and communication. The following initiatives have been put in place to reduce crime and ethnic communities' fear of crime:

- the first memorandum of understanding between Police and the New Zealand Federation of Multicultural Councils was signed by the Minister of Police in 2009. The memorandum aims to strengthen links and interactions between Police and ethnic communities
- a second memorandum of understanding was signed with the Federation of Islamic Associations of New Zealand Councils. This memorandum reinforces Police's commitment to working closely with people from diverse cultural and religious backgrounds
- forty-eight Asian safety patrollers and 36 Asian-speaking volunteers were

recruited in the Auckland City Police District to increase visibility in and confidence among local Asian communities. This crime prevention initiative has had a wide-reaching impact with a considerable reduction in handbag snatching. The Asian-speaking Volunteer Group has delivered a high level of personal service and helped to reduce language as a barrier to reporting crime.

Pacific peoples

Police has made efforts to partner with local Pacific communities to improve services through the following crime prevention initiatives:

- recruitment of eight Pacific Warden Patrol Groups in the greater Auckland region. These groups have the support of local government, community constables, Police Pacific liaison officers and Pacific representatives. Pacific wardens are working with police to reduce alcohol consumption in schools, parks and public areas and street disorder and violence in city centres. This has improved community and personal safety
- the creation of a National Pacific Knowledge Profile, which provides police with information to identify crime priorities from a Pacific perspective.

Youth

In 2009/10, Police implemented the Government's Fresh Start programme, which focused on serious and persistent young offenders who need intensive interventions while also being held accountable for their actions.

Police provided 175 additional places for youth in the Fresh Start programme in 2009/10 and will provide 650 additional places in its Youth Development Programmes in 2010/11. These additional places represent a considerable expansion in Youth Development Programmes and provide more opportunities for early intervention.

Police has 30 Youth Development Programmes to prevent children and

youth at risk from offending or reoffending. Police youth activities include mentoring, reducing truancy and youth camps. Desired outcomes include increased participation in education and reduced alcohol and other drug abuse.

Police provided policy advice on the Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Act 2010, which takes effect from 1 October 2010. The Amendment Act widens the Youth Court's jurisdiction to include 12 and 13 year-olds who commit serious offences, creating more effective sentences for persistent and serious offenders, and providing new powers for the Youth Court to order parenting, mentoring, and alcohol and other drug programmes.

During 2010, Police prepared for implementation of the amendments by developing guides for and training front-line officers. Police also worked with other agencies on the Act's implementation matters.

Police Safety Orders

The Domestic Violence Act 1995 was amended from 1 July 2010 to enable police to issue PSOs. Police may issue a PSO when there is insufficient evidence to charge a person with an offence, and where there is a reasonable belief that a person is subject to ongoing risk of family violence.

A PSO requires the person subject to the order to surrender any weapons and firearms to police and to leave the address where the incident is occurring for up to five days (see Box 4).

PSOs also provide an opportunity for the protected person to seek advice and support and apply for a protection order if necessary.

In 2009/10, Police developed PSO guidelines, processes and procedures (including information about the dynamics of family violence and importance of risk assessment). More than 4,000 officers and employees have received training about the orders. This work was undertaken in close consultation with the Ministry of Justice,

the judiciary and non-government organisations such as the National Collective of Independent Women's Refuges.

An evaluation of PSOs is planned over the next three years.

Box 4: Issuance of a Police Safety Order

Police were called to an assault where a woman claimed her partner had grabbed her by the wrist. Her partner claimed he was reaching for some cigarettes and the woman had punched him. Neither person had visible injuries, and there were no independent witnesses to the incident.

Police had insufficient evidence to charge anyone with assault. However, during the risk assessment, the woman was asked about the most frightening or worst incident that she had experienced with her partner. The woman replied 'When you guys [police] leave, he will start up again – abusing me and mum'.

A PSO was issued for 13 hours.

include multi-agency responses to high-risk and priority offenders.

The Police and Ministry of Justice will summarise their findings from the Priority Offenders Initiative for their ministers in September 2010 and recommend a way to build on the lessons of the initiative.

International communities

New Zealand is often called on to provide policing services to overseas communities. Examples of New Zealand meeting its international obligations are:

- providing cooperative law enforcement with international police agencies, supported through memoranda of arrangements with Pacific and Southeast Asian countries
- supporting the New Zealand Government's foreign policy objectives in the Pacific and beyond with respect to capacity-building projects in countries such as Tonga and the Cook Islands, and peace support operations in the Solomon Islands, Afghanistan, Timor Leste and Bougainville
- providing disaster and emergency response (e.g. Police provided specialist search staff and dogs, disaster victim identification specialists and radio technicians after the tsunami in Samoa).

Policing Excellence work streams that will contribute to this intermediate outcome are:

- Alternative Resolutions i.e. pre-charge warnings, traffic warnings and community panels, should deliver improved case resolution, reduced court workload, improved crime-prevention capacity, reduced recidivism and better outcomes for victims and the community. Pre-charge warnings were trialled in Waitamata, Auckland City and Counties Manukau Districts and an evaluation has been completed. Pre-charge warnings go nationwide on 6 October 2010.
- Mobility will use wireless technology to enable police staff to remotely access core police databases. Desired outcomes are improved staff safety, decision-making, Police's ability to meet victim needs and provide increased visibility (due to time saved in entering data into IT systems). A pilot will be run in three police districts with a combination of portable printers, laptops and Personal Digital Assistants (PDAs) issued to staff.
- Crime Reporting Line for public and police to report non-emergency crime through Police Communication Centres. The outcome should be enhanced timeliness and quality of data recorded in the National Intelligence Application (NIA¹), improving assignment of response and case management. A pilot was conducted in Auckland, Counties Manukau and Bay of Plenty. In 2009/10, a stage one business case was approved to develop the requirements and design for national implementation.

Indicators

Intermediate outcome 2 indicators are reduced crime rates; and reduced crash, death and hospitalisation rates.

Priority offender initiative

In August 2007, Cabinet agreed that a three-year Priority Offenders Initiative be established in Kaikohe, Papakura, Rotorua, Flaxmere, Porirua, and Christchurch. The initiative aimed to reduce offending by individuals aged 17 and over by having multi-agency groups work together to target offenders and their family related criminal activities.

This initiative has been largely overtaken by the Police Tasking and Coordination Framework and other joint Police and Department of Corrections work that aims to provide greater accountability for action across a range of priorities, including offenders. As the framework develops further, it will



2.3 Intermediate outcome 2 – less actual crime and road trauma, fewer victims

This intermediate outcome includes initiatives to reduce road fatalities and crashes, reduce family violence, equip officers with Tasers, enable the collection of DNA for a wider range of offences, reduce alcohol misuse, disrupt organised crime and drug supply, reduce cyber crime, and improve Communication Centre service levels and cost effectiveness through virtualisation.

¹ The National Intelligence Application is the Police's in-house computer database management system.

Crime rates

Total recorded crime fell slightly in the 2009/10 fiscal year. The long term trend is flat, with the crime rate remaining relatively steady at just over 1,000 offences per 10,000 population (see Figure 3).

Given the increase in New Zealand's population over the last year, the crime rate per head of population has also fallen. Within the total crime figure, variations between types of offences, and in different parts of New Zealand include:

- an overall reduction in fraud, albeit there is wide variation across the country
- a flattening of the growth in the numbers of violent crimes, in particular assaults in public places are trending down
- a continued downward trend of motor vehicle theft (see Figure 5) and theft from motor vehicles
- an abnormal spike of 12 unrelated murders in August 2009 which contributed to a higher than usual number of murders in the 2009/10 fiscal year.

In 2009/10 the number of serious assaults resulting in injury has decreased for the first time in a decade (see Figure 4).

From 1 July 2010 the Justice sector will begin reporting crime statistics according to the Australian Standard Offence Classification (ASOC). Consistent with this change, 2009/10 fiscal year crime statistics have been presented using ASOC. This change does not affect the total number of offences reported, just how they are grouped.

Serious assaults resulting in injury is a new category for reporting crime statistics in New Zealand and reflects a category in ASOC. This category excludes common assaults and other assaults that did not result in injury.

Figure 3: Total recorded crime rate, 2000/01–2009/10

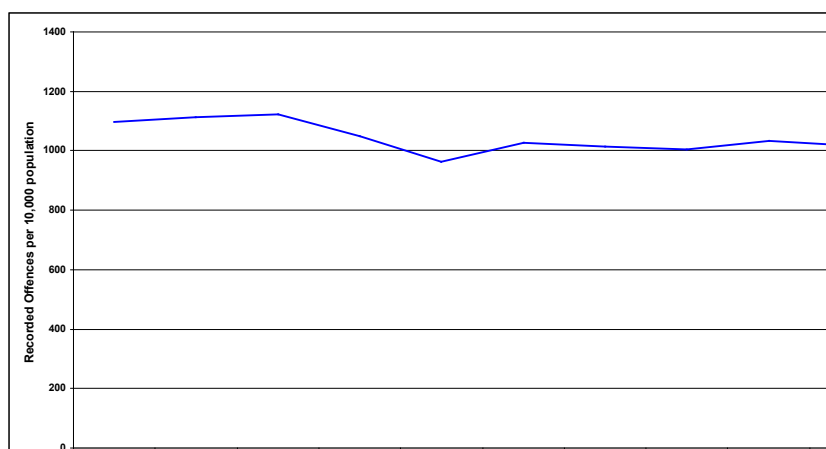


Figure 4: Serious assaults resulting in injury, 2000/01–2009/10

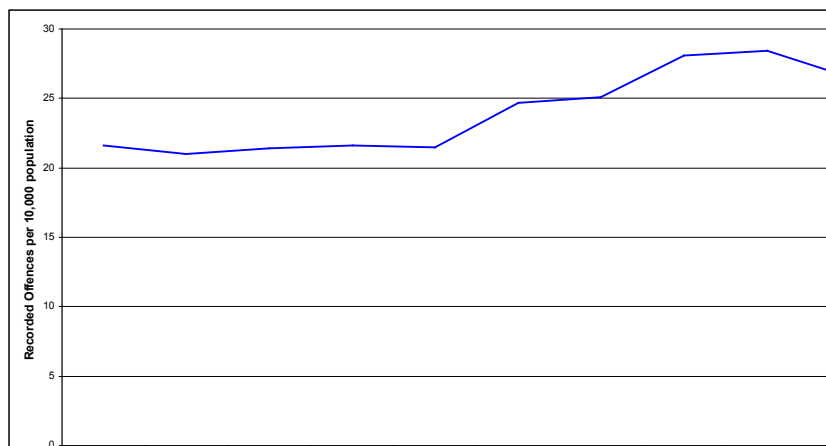
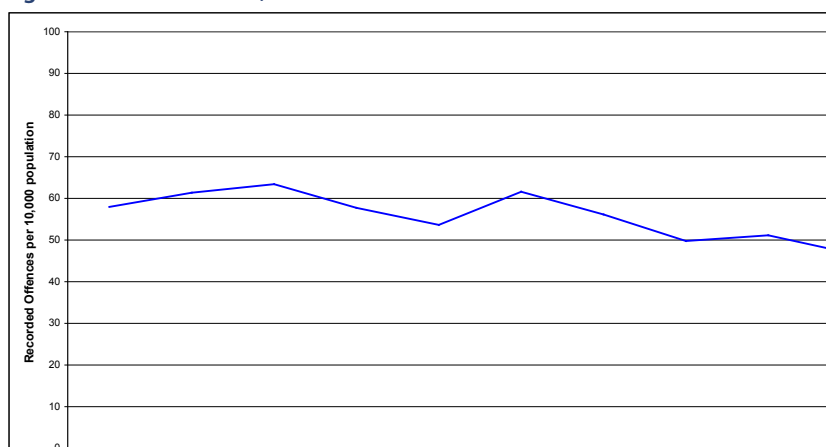


Figure 5: Vehicles stolen, 2000/01–2009/10



The number of vehicles illegally taken during the 2009/10 fiscal year reduced to the lowest level in recent years, continuing a long term downward trend (see Figure 5). Other countries have experienced a similar pattern, which is likely to be caused, at least in part, by the better security features that newer vehicles have.

Crash, death and hospitalisation rates

The indicator that measures changes in vehicle crash, death and hospitalisation rates, had the following results:

- fatalities and fatal crashes continue to decrease, consistent with a 20 year trend. The number of drink-driving fatalities as a percentage of all road fatalities has been increasing (from 28% in 2006 to 36% in 2009). The number of fatal crashes involving high-risk drivers i.e. young drivers, unlicensed and disqualified drivers, motorcyclists, illegal street racers, and recidivist offenders, continue to be unacceptably high
- hospitalisation rates decreased for stays of more than one day (2,043 in the 2009 calendar year, a decrease of 7.4% from 2008) and more than three days (3,032 in 2009, a decrease of 6.4% from 2008)
- front-seatbelt usage continues to be at a high level, with 96% of New Zealand motorists using front seatbelts in 2010. For the previous five years, this rate was 95%.

The Government's Road Safety to 2010 strategy set targets for 2010 of no more than 300 deaths, 2,200 hospitalisations of more than one day, and 1,400 hospitalisations of more than three days. The number of road deaths for 2009/10 was 371 (nine fewer than in 2008/09). Road deaths continue to be above the Road Safety to 2010 target of no more than 300 (see Figure 6).

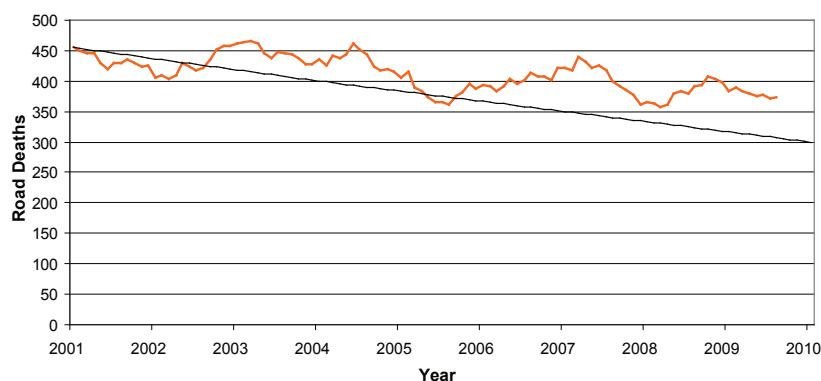
Police continued to attend, investigate and provide traffic management services at road crashes, undertake commercial vehicle investigations (see Box 6), and promote safer driving practices. The Road Policing Strategy expires this year, and the next strategy will align with the Government's *Safer Journeys: New Zealand's Road Safety Strategy 2010–2020*.

Key achievements

Traffic safety

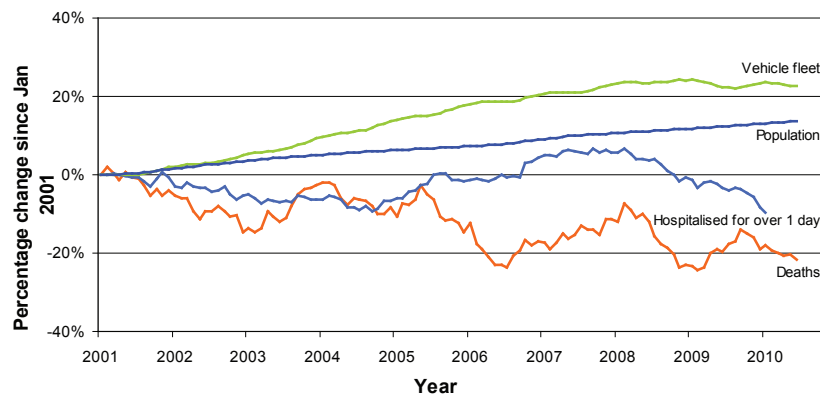
Road policing delivers on several government and police road safety strategies including the Government's Road Safety to 2010 strategy. The Road Policing Strategy to 2010 focused Police on addressing the 'fatal five' of speeding, drink and drugged driving, restraints, dangerous and careless driving, and high-risk drivers. See Box 5 for an example of a national speed-related initiative.

Figure 6: Rolling 12 month road deaths compared to the target line 2001-2010



Hospitalisations for over one day and deaths continue on a downward trend (see Figure 7).

Figure 7: Road crash casualties, population and vehicle fleet compared to 2001



Source: Ministry of Transport

Box 5: Queen's Birthday weekend initiative to reduce fatalities

The Queen's Birthday weekend initiative of a lower police speed tolerance to 4 km/h over the speed limit coupled with a focus on slow drivers, high levels of alcohol testing, and enhanced visibility across all districts, saw a dramatic drop in the road toll over the weekend. There was one fatality – the lowest figure in 54 years.

Safer Journeys aims for death and injury to no longer be an inevitable part of New Zealand's road system and proposes to reduce the burden of road crashes on New Zealand by focusing effort where the greatest gains can be made. The strategy is built around four focus areas of safe roads and roadsides, safe speeds, safe vehicles, and safe road use. In 2010/11, Police will work alongside other key road safety partners to develop action plans for implementing key *Safer Journeys* initiatives.

Police has worked collaboratively with its key road safety partners and communities such as the National Road Safety Committee and at a community level through the road safety action planning process.

Legislative initiatives

Police worked with partners (including the Ministry of Transport and New Zealand Transport Agency) to promote evidence-based road safety policies and legislation. Legislative proposals included:

- greater powers for police to deal with drug-impaired drivers from 1 November 2009
- a package of initiatives for Cabinet consideration (including raising the minimum driving age, reducing the blood alcohol level to zero for drivers aged under 20, and imposing a zero drink drive limit for recidivist drink drivers)
- regulations through the Land Transport (Road User) Amendment Rule 2009 to restrict drivers' use of mobile phones
- the Sentencing Amendment (Vehicle Confiscation) Act 2009 and Summary Proceedings Amendment (Vehicle Seizure) Act 2009
- the Land Transport (Enforcement Powers) Amendment Act 2009 to prohibit illegal street racing.

Box 6: Targeting light diesel vehicles

A national Commercial Vehicle Investigation Unit (CVIU) operation targeted light diesel vehicles in response to concerns that light diesel vehicle operators were not paying road user charges or were tampering with odometers. Police conducted high-volume vehicle checks during the operation.

A recent independent survey showed the activities of CVIU were having a substantial impact on the light diesel fleet. Over one-third of respondents (35%) reported that police had checked their road user charges licence in the previous 12 months. This has resulted in increased road user charges compliance for the light diesel fleet.

Enforcement capability improvements

To improve road policing enforcement capability the National Land Transport Fund funded the Road Policing Programme, which included the following initiatives:

- *Speed Camera Replacement Programme and Expansion* – mobile speed cameras were deployed nationwide.
- *Red Light Camera Project (Auckland City)* – Police is working with the Auckland City Council to evaluate the trial of red light cameras in the Auckland Central Business District.
- *Tendering for Commercial Vehicle Investigation Unit Portable Electronic Scales* – Scales are used to ensure heavy motor vehicles comply with New Zealand weight restriction legislation. The tender process to purchase the scales was completed in 2009/10 and a provider of scales selected.
- *Automated Number Plate Recognition* – This initiative introduced an electronic system for checking high volumes of number plates against a database, improving police effectiveness in stopping high-risk offenders.
- *Evidential Breath Alcohol Device Upgrade and Replacement* – Compulsory breath testing is the primary means for dealing with drink driving using an evidential breath alcohol testing device. Police selected the Dräger Alcotest 9510NZ alcohol breath testing device to replace the old device that cannot read the proposed new limit (a zero breath and alcohol level for drivers aged under 20).
- *Police Infringement Bureau Information System Upgrade* – This initiative provides police with an information technology application for entering traffic infringement offence notice data. An upgrade to the application is expected to be completed by late October 2010.
- *Secure Mobile Access and Reporting Technology (SMART)* – This initiative will improve mobility and increase efficiency by enabling police to use a Personal Digital Assistant (PDA) with print capability. The PDA is being field tested in Southern District. Road Policing officers used the mobile device to issue infringement notices at the roadside as well as carry out vehicle and identity checks. The evaluation of this testing will be completed in September 2010. Future rollouts of the SMART device will be managed under the Policing Excellence Mobility work stream.
- *Pursuit and Tyre Deflation Device Reviews* – Police has reviewed the current pursuit and tyre deflation device policies, and made a series of recommendations to enhance policy (including renaming the pursuit policy to fleeing driver policy, training and the notification process. These are in the process of being implemented to ensure policing activities involving fleeing offenders are safer for the public, staff and offenders.

A further 17 initiatives were approved through the Road Policing Community Initiatives Fund, including education programmes and equipment to help enforce legislation.

Family violence

Reducing violence (including family violence), remains a high priority for Police. There were 8.5% more recorded family violence assaults in 2009/10 than in the previous year. Most of this growth occurred during the first half of the year, following even greater growth in previous years i.e. 13.1% in 2008/09 and 28.1% in 2007/08.

New Family Violence Policy

The new Family Violence Policy redefines the police response to family violence. The policy confirms the traditional theme of offender accountability, but also emphasises the importance of Police working in partnership with other government agencies, non-government agencies, and the community to ensure appropriate and effective interventions address the underlying causes of family violence.

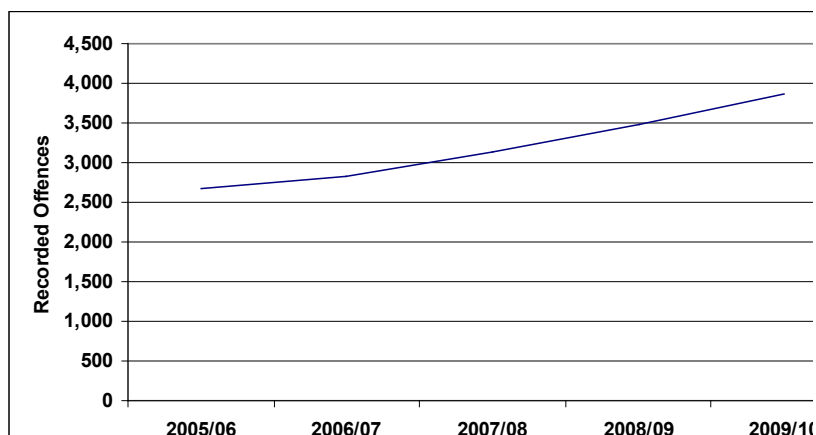
Strategic development – family safety teams

Following a review of Family Safety Teams in 2009, work commenced in 2009/10 to develop a new vision and new objectives and outcomes for Family Safety Teams. This will see Family Safety Teams engaging in and facilitating integrated interventions in complex high-risk family violence cases. This approach requires tight community and agency collaboration with interventions tailored to fit the requirements of those at risk, reducing the incidence of serious harm and homicides caused by family violence.

Better outcomes for children

Child abuse can take many forms, and child abuse offences are recorded in various offence categories, as appropriate. For the purpose of case prioritisation and screening, Police classifies a variety of offence codes from

Figure 8: Child abuse offences, 2005/06–2009/10



different offence categories as 'child abuse'. The number of such recorded child abuse offences has risen gradually but steadily over the last few years (see Figure 8).

In May 2010, the Independent Police Conduct Authority completed phase one of a comprehensive review into the investigation of child abuse. The authority recommended a variety of initiatives and actions to improve the police response to these most vulnerable victims. Work will continue through 2010/11 to implement the recommendations, a number of which were already underway.

A new child protection protocol has been agreed between Child, Youth and Family and Police. The protocol sets out a dual-agency response for children who are the victims of serious child abuse. It explains how the parties will work alongside each other, the roles and responsibilities of each organisation, and the processes to be followed to ensure integrated, prompt and effective responses to serious child abuse.

Online child exploitation across New Zealand

In 2009, Police's Online Child Exploitation across New Zealand (OCEANZ) team established a centralised model for the initial investigation of and proactive work into online child exploitation.

This model includes Police working with the New Zealand Customs Service and Department of Internal Affairs to enhance and expedite online child exploitation investigations.

The OCEANZ team has built strong relationships with overseas partners, in particular the Federal Bureau of Investigation, United States Immigration, Customs Enforcement, Australian Federal Police and the Child Exploitation and Online Protection Centre (United Kingdom). These relationships have enabled effective coordination on joint investigations. A recent example that highlights this is a case where OCEANZ identified a United Kingdom based suspect who we believed posed a real risk to children. Within 24 hours, New Zealand police had forwarded a file to the Child Exploitation and Online Protection Centre. Within four days the United Kingdom suspect had been identified and arrested and two children at the address were safeguarded.

OCEANZ coordinated the first investigation and prosecution of a New Zealander for organising a sex tour to Thailand. The case is proceeding. OCEANZ has also contributed to implementing changes to the Sexual Grooming legislation and the prosecution process for offences pursuant to the Films, Videos and Publications Classification Act.

Family Violence Death Review Committee

The Family Violence Death Review Committee is a Ministerial committee that reviews and reports on family violence deaths with a view to influencing a reduction in the numbers of those deaths. Police has been working closely with the Ministry of Health and other government and non-government agencies to start reviews into family violence deaths. Police has been formally appointed as an adviser to the committee.

Taser implementation

Tasers are a less lethal tactical option than firearms. Tasers enable a more effective police response by reducing the likelihood that police have to resort to firearms and enabling the safe diffusion of situations potentially dangerous to the public, police and offenders.

Police has successfully implemented Tasers across the country. A total of 2,918 front-line staff, including Armed Offender Squads and Special Tactic Groups, have been trained as Taser operators. Tasers are readily available for use by trained front-line staff (see Box 7).

Each Taser is equipped with a camera that captures audio-visual evidence of an incident as soon as the Taser is activated. To securely store and manage all audio-visual evidence, Police has implemented the software Evidence.com, developed by TASER International.

Police operating procedures require all Taser uses to be recorded in the tactical options reporting database, and for anyone subjected to a Taser discharge to be examined by a registered medical practitioner. The Independent Medical Advisory Group reviews the medical reports.

Figure 9: Alcohol offences, 2007/08–2009/10

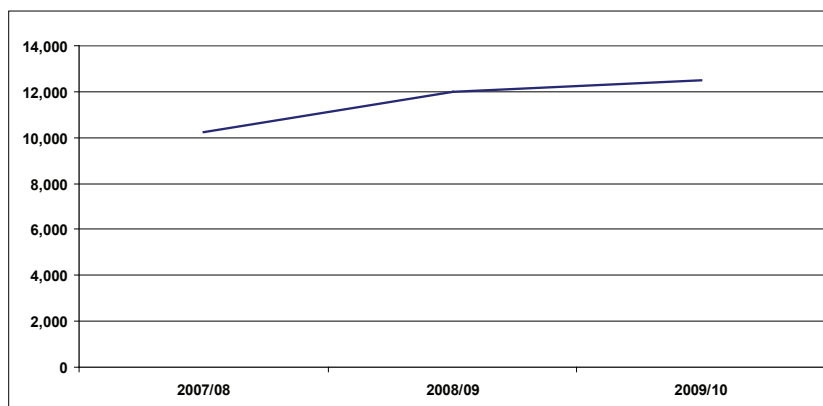
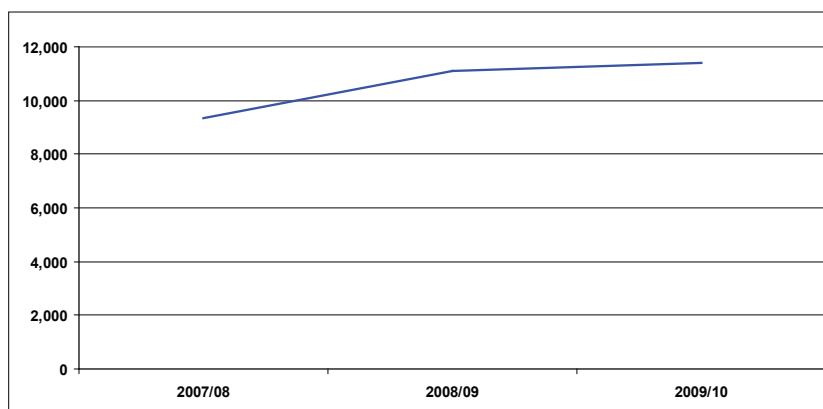


Figure 10: Breach of liquor ban offences, 2007/08–2009/10



DNA sampling expanded and Biotrak launched

From 6 September 2010, the Criminal Investigations (Bodily Samples) Act 1995 will allow police to collect DNA when they intend to charge a person for a wider range of relevant offences than currently possible. The Act will allow police to match the DNA profile against unsolved crime scene samples before the person is convicted or acquitted.

In anticipation of this legislation, Police, in consultation with the Institute of Environmental Science and Research, has been developing a comprehensive NIA module called 'BioTrak'. This module will record the taking of DNA samples from individuals, maintain the records of subsequent processes; enable analysis, profile results and profile retention status. It also enables samples to be linked to specific charges and case outcomes. The module will be ready for operational roll-out by September 2010.

Box 7: Tasers

In 2009/10, a Taser was employed 271 times. In 244 (90%) of these incidents, the situation was successfully de-escalated without the Taser being discharged.*

For the first nine months of 2009/10, 32 operational Tasers were available in four districts. In the last three months of 2009/10, the number of Tasers gradually increased across the country to 681.

* A Taser is deemed to be employed when presented at a subject, regardless of how it is then subsequently used (i.e. laser painted or discharged).

Preventing alcohol misuse

Over the past three years, the number of alcohol offences and breaches of liquor bans has steadily increased (see Figures 9 and 10).

Activities to prevent alcohol misuse included training for alcohol harm-reduction officers, issuing national guidelines and a tool kit for effective alcohol interventions, developing information sharing protocols with local government and health agencies (in relation to alcohol harm data) and reviewing data quality in the Alco Link database² and compliance with data entry standards.

Police provided submissions to the Law Commission on the review of the Sale of Liquor Act 1989, contributed to a review of the police approach to violence reduction from an alcohol harm perspective and reviewed the police Alcohol Action Plan. The review suggested enhancements in line with the objectives in the police Violence Reduction Strategy and the Government's National Alcohol Action Plan.

Guidelines for large-scale events and an alcohol management plan are being developed for the Rugby World Cup.

Case management functionality is being upgraded for reporting and assessing issues relevant to Liquor Licensing Authority referrals.

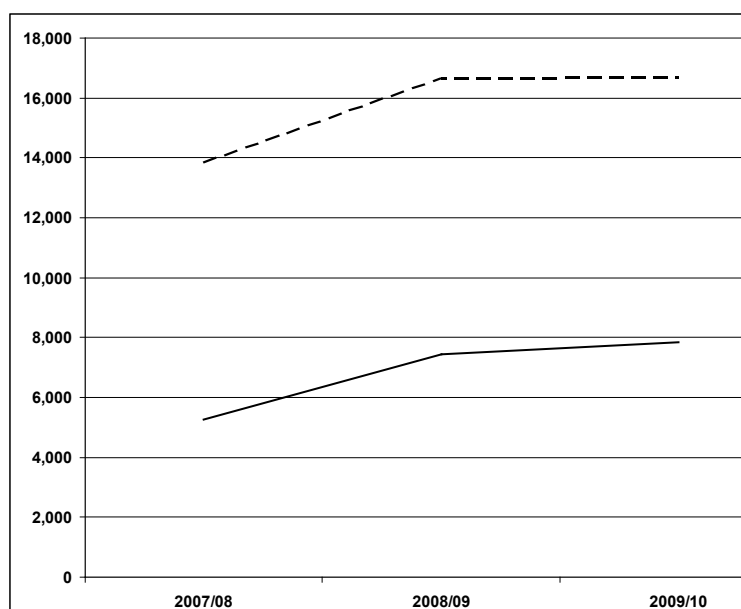
Clamping down on gangs and drugs

Recorded drug offences rose slightly in 2009/10, following a much larger rise the year before. Figure 11 shows that even though there was a slight increase in drug supply, drug use remained constant between 2008/09 and 2009/10.

Organised and Financial Crime

² Alco Link is a Police database that records 'last drink' information from offenders who have been arrested within 12 hours of offending. Data collected informs intelligence-led policing models, other agencies (such as the Law Commission, Ministry of Justice and the Accident Compensation Corporation) and the graduated response model to identify risk premises.

Figure 11: Drug offences, 2007/08–2009/10



Agency New Zealand

The Organised and Financial Crime Agency New Zealand (OFCANZ) is hosted by Police. The agency's mission is 'improving the safety and security of New Zealand by combating serious and organised crime through an inter-agency partnership approach'.

OFCANZ's operational focus areas for 2009/10 were to outlaw motorcycle gangs, Asian organised crime groups, and race-based gangs.

OFCANZ divides its work across taskforces. The significant results of two taskforces are described in Boxes 8 and 9.

One taskforce is using the new criminal association powers under the Crimes Act 1961 (section 98A) to advance its work. All taskforces are focused on seizing criminal assets as provided for by the Criminal Proceeds (Recovery) Act 2009. Due to the nature of these investigations, some will continue from one year to the next as complex networks are unravelled.

The success of OFCANZ relies on good relationships with public agencies in New Zealand and overseas. OFCANZ continues to work closely with partner agencies to make New Zealand a more hostile environment for organised crime. This work includes heightening the awareness in policy agencies of organised crime risks and working on opportunities to thwart crime as it arises.

Box 8: OFCANZ-led Taskforce Abyss

In late October 2009, OFCANZ and its partners (eight government agencies, including Police) terminated the operational phase of Taskforce Abyss. The taskforce targeted methamphetamine and other drug dealing by members of the Tribesmen Motorcycle Club in Northland. As a result, 18 people have been charged with a variety of serious offences and are now before the courts; 495 'indoor grow' cannabis plants were seized and destroyed, and an estimated \$2.2 million of potential community harm was prevented.

Box 9: OFCANZ-led Taskforce Acacia

In July 2010, detectives ended a year-long investigation into an organised crime ring by raiding Auckland properties, including a financial exchange business operating in downtown Auckland. Detectives discovered a money-laundering ring, and seized \$5 million worth of methamphetamine, \$500,000 in ContacNT, 21 firearms and six vehicles. They restrained seven properties along with a boat and marina berth. They also seized \$330,000 cash from individual addresses, about \$500,000 from bank accounts, and two money-counting machines.

Financial Crime Group

The Financial Crime Group was established on 1 December 2009 to coincide with the introduction of the Criminal Proceeds (Recovery) Act 2009. This Act enables the proceeds of crime to be forfeited to the Crown based on the civil standard of proof rather than requiring a criminal conviction.

The Financial Crime Group is made up of Asset Recovery Units in Auckland, Hamilton, Wellington, and Christchurch, a core administrative and analytical team and the Financial Intelligence Unit based at Police National Headquarters. The progress being made by the new Asset Recovery Units is outlined in Box 10.

The Financial Intelligence Unit has undertaken significant work to develop and implement the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. This work has included enhancing inter-agency cooperation with stakeholders through the unit's linkages with the National Anti-Money Laundering Coordination Committee and improving the relationship and lines of communication with the financial sector. The result has been a 25% increase in the number of suspicious transactions reports submitted to the unit. The unit is also developing a national risk assessment of money laundering and terrorist financing.

Illicit drug strategy

Police has worked closely with its international partners and across the whole of government on activities to reduce the supply, demand and harm caused by illicit drugs.

The police Illicit Drug Strategy to 2010 seeks to improve Police's ability to prevent drug-related harm by:

- reducing supply through interventions targeting dealers, traffickers and manufacturers
- reducing demand through interventions discouraging use
- forging partnerships with local communities.

The proactive targeting of suppliers and manufacturers of illicit drugs will continue as a key policing priority (see Box 11).

Box 10: Asset Recovery Units

In the first six months of operation, the Asset Recovery Units have investigated more than 140 cases. These cases have been referred from the 12 Police districts, the New Zealand Customs Service, the Department of Corrections, and overseas agencies.

Thirty-eight cases have resulted in restraining orders, and \$19.7 million worth of assets are now in the custody of the Official Assignee. These assets include large sums of cash, bank accounts, cars, motorcycles, antique collections, and plant and equipment. Forfeiture orders apply to \$107,915 worth of assets that were seized largely from organised gangs, disrupting their ability to continue their criminal offending.

Box 11: Operation Lime

Operation Lime involved the investigation of commercial businesses and individuals across New Zealand who were alleged to be involved in knowingly selling equipment and other material for the purpose of cultivating cannabis or who were personally involved in cultivating cannabis.

As a result of this operation, 233 people were arrested and 11 separate companies were charged. Of those arrested, 142 offenders were arrested for charges related to the cultivation of cannabis. As at 30 June 2010, 1,041 indictable charges had been laid against these offenders (including the companies) for a variety of offences.

Police located and dismantled 152 separate indoor cannabis grow operations, containing over 7,300 plants and 65 kilograms of dried cannabis. The quantity of plants found in the indoor cultivations ranged from one plant to 650 plants (in the largest operation in Glen Eden).

A significant amount of money can be made from just a few plants (e.g. a cultivation operation consisting of three cycles of six plants over a single year can return over \$200,000 in profit). Police consider 123 of the indoor growers to be commercial-level operations because they had six or more plants, including 43 growers with more than 50 plants each.

At Operation Lime's peak, about 550 police staff were involved.

Cyber crime

The new National Cyber Crime Centre (NC3) was established between September and December 2009 within the Police e-Crime Group to:

- assist with internet-related investigations and provide specialist advice
- provide and respond to information and intelligence as part of cooperative agency and international investigations
- liaise with educational and preventive agencies.

The Police E-Crime Group includes the Electronic Crime Laboratories, NC3 and the signal processing units. As well as helping police investigators, NC3 also helps the public when they suspect cyber crimes. This assistance has led to several national arrests.

During 2009/10, NC3:

- provided a single reporting point for trans-national crime through the G8 subgroup for High Tech Crime
- established a single online reporting point in cooperation with Netsafe and other partners through the Online Reporting Button (www.theORB.org.nz)
- was an active partner in the international Strategic Alliance Cyber Crime Working Group
- aligned with key government, industry partners and response units through the New Zealand Internet Task Force.

Virtualisation of Communication Centres

Virtualisation removed the physical boundaries around the three Communications Centres to provide one centre in three locations, improving service delivery in an environment of increasing call volumes. Calls were moved from a local network, multi-site operation to a single national network over multiple sites. This creates a larger single pool of communicators to answer calls nationwide rather than three smaller pools of staff working independently.

Box 12: Improved service levels from virtualisation

Service levels for both emergency and non-emergency calls have improved since the virtualisation of the Communications Centres.

Comparing the 12-week period following implementation with the corresponding period in the previous year, the emergency calls service level improved from 95% to 97%. Over the same period, the service level for non-emergency calls (excluding Crime Reporting Line calls) had an even greater improvement from 87% to 93%.

The first phase of virtualisation was completed on 26 April 2010 with technology implemented to enable the seamless transfer of emergency and non-emergency calls between the three centres. This solution has realised immediate benefits and efficiencies as described in Box 12.



2.4 Intermediate outcome 3 – a world-class police service

A world-class police service with adequate resources and capability enhances Police's ability to achieve intermediate outcomes 1 and 2.

This year, Police focused on providing value-for-money, recruiting front-line officers, particularly in Counties Manukau, growing leadership capability, addressing Commission of Inquiry into Police Conduct initiatives,³ and using technology more effectively (e.g. digital radio).

In addition, the following Policing Excellence work streams were initiated:

- Cost Recovery to develop a framework to look at ways to partially recover costs for some non

essential services e.g. vetting. It was approved as a stage one business case.

- Case Management is an end to end system for case categorisation and prioritisation, early case closure or investigation, victim notification, case tracking and performance monitoring. Successful case management will enable real-time intelligence to inform deployment decisions, improved services to victims and complainants and safer communities because offenders will be brought to account earlier.
- Performance Management involves improving Police performance management. A significant amount of work was done in 2009/10, including investment in technology (e-performance) to standardise and automate performance management such as using electronic appraisals throughout Police.
- Stakeholder Engagement involves communicating to stakeholders and the public that Police is moving from a single focus on the numbers of police staff in particular locations to flexible deployment and using the entire complement of police staff and resources to achieve better results.
- Rostering to Reduce Demand will increase the number of police available for deployments at peak times, reducing the amount of time it takes for police to respond to calls for service in targeted areas, and preventing crime. Preventing crime by ensuring police are "on the streets" ahead of demand peaks, should

³ In 2007, the Commission of Inquiry into Police Conduct identified 60 recommendations to improve police officers and their associates' conduct, which included inappropriate sexual activity, and changing the Police culture when dealing with complaints of adult sexual assault.

increase the risks and reduce rewards for would-be offenders. A pilot was started in Canterbury.

- Policing Act Opportunities involves leveraging options in the Act for an increasingly diversified Police workforce with authorised officers trained and empowered to the appropriate level to perform roles such as jailor and escort.
- Support Services to the Front Line involves a review of support services within Police that will lead to decisions about how to improve their efficiency and effectiveness.
- Asset Management to improve vehicles and house asset management.

Indicators

There were two intermediate outcome indicators: improved success of the Leadership and Development Framework, and improved results from the 2010 Workplace Survey.

Improved success of the Leadership and Development Framework

The objective of the Leadership and Management Development Framework is to ensure capable leaders are ready to move into senior leadership roles.

Twelve nationally coordinated leadership development programmes, involving 189 participants, were provided in 2009/10. Four programmes were targeted at developing women leaders. Three programmes (including the Enhancing Leadership Programme) were evaluated, and as a result the Constables Development Programme and Sergeants/Front-line Supervisors Programme led to more targeted training for those who lead other leaders.

The number of non course-based development interventions was increased (e.g. internal and external mentoring, coaching, targeted secondments, action learning groups, individual development plans and the use of 360 degree feedback instruments) and there was a shift towards more regionally based leadership programmes.

Improved results from the 2010 Workplace Survey

Police continue to be committed to measuring and improving the organisation's culture using an annual Workplace Survey.

The use of a new provider for the 2010 survey means results cannot be compared directly to those from previous audits. However, some comparisons can be made against state sector benchmarks that have been developed from a Workplace Survey by the same provider across 23 state sector organisations over the past two years.

In 2010 the Workplace Survey was expanded from 22 questions to 63. An additional section focused on respect and integrity and will provide information with which to measure progress towards achieving the Commission of Inquiry's recommendations.

The 2010 Workplace Survey was sent to all employees in March 2010, and 9,280 employees responded. This response rate of 77.1% compares favourably with the state sector benchmark of 76.9%. Key survey results are in Box 13.

The results of the 2010 Workplace Survey are being widely communicated and action plans at local and national levels are being developed to address survey results. This will be a major focus of activity in the coming year.

Key achievements

Recruit and retain police

As at 30 June 2010, the number of full-time equivalent (FTE) police in Counties Manukau had increased by 251 since 30 November 2008. Nationally, the number of FTE police had grown by 393 (including the 251 in Counties Manukau) over the same period. In both cases, Police are ahead of its targets to achieve growth in police numbers. Attrition of Constabulary employees in 2009/10 was 2.1 percent, resulting in Police workforce increasing in average tenure and age, and longer waiting lists for potential recruits.

Counties Manukau staff (including the additional 300 staff) are being deployed according to the Counties Manukau Future Project with an emphasis on improved delivery and productivity of policing services, neighbourhood crime and crash prevention, and reducing demand on the justice sector. Actual deployment of the additional staff was into Public Safety Teams, the Major Crime Team, the Child Abuse Team, Investigations, alternative resolutions, and potentially Neighbourhood Policing Teams. Success factors for the Project include increasing citizen trust, confidence and satisfaction in our policing services, resulting in safe communities.

Case management

A pilot of new case management processes was completed in the Auckland City and Counties Manukau Districts in September 2009. Case Management has now been incorporated into Policing Excellence for national rollout. In 2009/10, Case Management delivered:

- a system to categorise crime by levels of seriousness
- a process for prioritising workloads
- an initial file assessment and early case closure tool and methodology
- NIA system enhancements
- a reporting framework to benchmark and measure performance
- a benefits realisation methodology.

As a result of an Independent Police Conduct Authority inquiry, specialist child and adult sexual abuse teams are committed to using case management.

Service First

Service First is a long-term service improvement programme that aims to improve citizens' satisfaction with policing services and to make every contact count towards building trust and confidence in Police. The focus of Service First during 2009/10 was on building leadership capability and on making every contact at the counter and on the telephone count.

Box 13: Workplace Survey results

The overall level of police staff engagement was 70.1%, which was relatively close to the state sector benchmark of 72.4%.

The Performance Index for police staff was 63.9% compared with the state sector benchmark of 68.4%.² However, this result varied considerably across police districts and areas with pockets of excellence.

The Workplace Survey consisted of 11 sections, the results from nine of which can be compared with the state sector benchmark. Police staff scored:

- *the same as the state sector benchmark on the 'My Work Group' and 'Performance Feedback' sections*
- *close to the benchmark on the 'Learning and Development', 'My Supervisor' and 'Employee Engagement' sections*
- *below the benchmark on the 'My Job' and 'Vision and Purpose' sections*
- *well below the benchmark on the 'Communication and Cooperation' and 'Recognition' sections.*

Over half of the staff (51.9%) identified co-workers and camaraderie as the one thing that makes Police a great place to work. The next highest-rated response was pride in helping to deliver safer communities.

Among the questions with the largest positive difference between police staff and the benchmark were 'Sense of Achievement for Employees'. Police scored 75.5% compared with a benchmark score of 72.1%. This shows that most staff feel their jobs give them a sense of personal achievement. Staff also believed the work they do makes good use of their knowledge and skills (Police scored 69.6%, 5.9% above the state sector benchmark).

Some of the largest negative differences against the benchmark were 'New Zealand Police cares about the well-being of its staff' (police staff scored 48.6%, compared to a benchmark score of 65.8%) and 'I feel my contribution is valued in New Zealand Police' (police staff scored 53.1% compared to 64.1% which is 11.0% lower than the benchmark).

Four out of five staff believe members of their work group act in accordance with the values expected of police.

Three out of four staff felt their work group colleagues respect employee diversity.

Supervisors in the Northland, Waikato, Bay of Plenty, Tasman and Southern Districts completed Leading Service Excellence workshops. These workshops give participants an understanding of the 'big picture' for service excellence in Police and what is expected of them as a leader.

Service delivery standards for the public counter were introduced to stations in the Northland, Waikato, Bay of Plenty and Southern Districts.

Service delivery standards for the telephone were introduced into the Communications Centres. Experienced communicators attended training to refresh critical skills so they could confidently deliver on the promise of 'service excellence'. The standards were also incorporated into training for new communicators, and are now used across the three centres.

Results of the Citizens' Satisfaction Survey will assist in decision-making to improve service and training.

Criminal justice improvements

The initiative aims to improve police investigation and case resolution processes, standards setting, and national consistency of actions. The programme is closely aligned to the case management initiative.

Work streams focused on police decisions to prosecute, police and court bail, the warrant to arrest enforcement, investigation and prosecution file preparation, and directed file evaluation (which relates to the Police Prosecution Service's early case review). During 2009/10, directed file evaluation was rolled out into 23 designated Police Prosecution Service locations.

Intelligence

Intelligence initiatives contribute to a broad spectrum of police priorities. Over the past 18 months, the Police National Intelligence Centre (NIC) consolidated a new operating model that delivers intelligence products in a nationally coordinated manner. Staff exchanges with other agencies have supported an all-of-government approach to sharing intelligence and delivering results.

The NIC has developed quality analytical products that focus on crime and crash priorities. Many of these products support areas and districts, or joint initiatives with domestic and international partners. The national tasking and coordination process supports these products. The NIC are preparing the first national strategic assessment, which will be used to inform long-term planning.

The Professional Development in Intelligence Programme is nearing its final acceptance stages. This programme will clarify roles and responsibilities for all intelligence staff and ensure a competent, credible and professional workforce.

Each district will commit to the District Intelligence Development Plan, which will enable the district to build intelligence capability.

Commission of Inquiry into Police Conduct

The Police, State Services Commission and the Ministry of Justice (via the Independent Police Conduct Authority) are responsible for reporting on progress against Commission of Inquiry into Police Conduct recommendations. During 2009/10, Police continued to implement the recommendations arising from the Commission of Inquiry into Police Conduct. Key achievements included:

- introducing the Independence of Investigations (Safe Processes) Policy in July 2009 that require Police employees to carry out their duties in accordance with their Oath of Office or Solemn Undertaking and the Code of Conduct to maintain the public's confidence
- implementing a process for reviewing national training requirements annually, which will enable the Police Executive to prioritise training to ensure officers' technical competencies are up to date
- delivering an ethics training package to 9,590, Contemporary Policing in New Zealand, which included learning objectives around ethics, the Policing Act 2008, and the Code of Conduct
- introducing a standalone database, IAPro, to assist in managing the processing of complaints against Police
- establishing Ethics Committees throughout the country to focus on issues identified locally or topics suggested by Professional Standards at Police National Headquarters
- revising the Discrimination and Harassment Policy to apply to all forms of harassment, allowing for parties to attend mediation where the harassment is at a low level and within the powers of the wrongdoer to remedy, and requiring mediated resolutions to be signed by both parties to make them full and binding.

Police received two audit reports from the Office of the Auditor-General. The first report found that Police responded to the findings of the Commission of Inquiry in a committed manner with a comprehensive work programme. The second report focused on whether Police had effectively implemented the projects and initiatives in that work programme.

The second report said Police needs to ensure progress is achieved on an ongoing basis. The Office of the Auditor-General acknowledged that while a great deal of work had been done (e.g. implementing the Code of Conduct), more work is required.

Police committed to address outstanding inquiry recommendations as well as the comments and recommendations raised by the Office of the Auditor-General.

Staff Safety

A number of initiatives were implemented in 2009/10 with a view to improving staff safety. Examples include the rollout of Tasers throughout all districts, further implementation of the digital radio network and a review of firearms training and accessibility of firearms to police. In addition, some Policing Excellence work streams such as Mobility seek to improve staff safety. Figure 12 shows that there has been a steady increase in assaults on Police, with a slight decline in 2009/10.

Technology

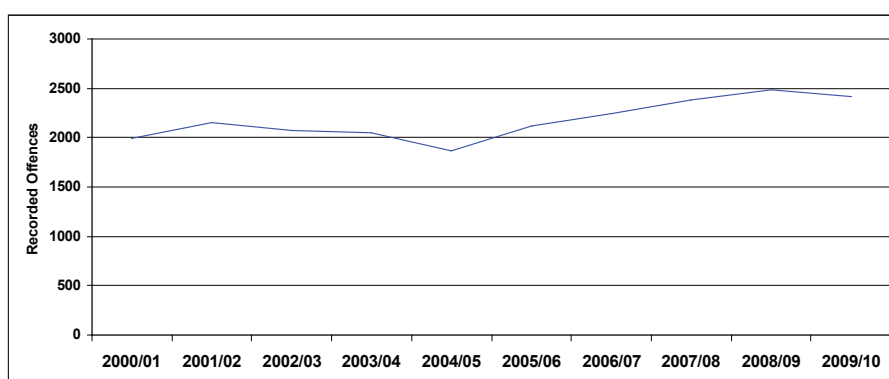
In addition to information technology initiatives already mentioned in this report, the Information Communication Technology Service Centre (ICTSC) has:

- increased Enterprise Core Network (data and voice) bandwidth capacity to 6.4 gigabits and upgraded connection speeds at 96 sites (large and small stations) to considerably improve application performance for users
- updated and enhanced NIA for key legislative requirements (i.e. PSOs and Warrants to Arrest)
- implemented centralised transcription in the Waikato District, enabling more efficient front-line data collection and entry into NIA
- begun the proof of concept for an Internet Protocol-based radio control system in the Communication Centres.

In addition, the Digital Radio Programme deployed secure portable digital radios into Canterbury in August 2009, into Waitemata and Counties Manukau Districts in March 2010 and Auckland City District in June 2010.

An example of how Police has worked jointly with other agencies and developed an information technology solution to meet a business need is outlined in Box 14.

Figure 12: Total recorded offences for assault on Police



Box 14: Networked Government Award

The Police, the New Zealand Fire Service Commission, St John Emergency Communications and Central Emergency Communications were joint winners of the Networked Government Award for their work on the InterCAD project.

Most emergencies require the attendance of multiple emergency services. A road crash may require police to patrol traffic and investigate whether an offence has occurred, fire service staff to extract people from vehicles, prevent fires and clear the road, and ambulance staff to attend to injured people.

The InterCAD project built an electronic bridge between two existing world-class call-handling and dispatch systems, providing better services to those who need emergency help.

The judges said the project demonstrated what can be achieved when agencies commit to overcoming significant technical and organisational complexities to achieve a common purpose, in this case delivering better, safer and more efficient emergency services to the public.

Managing risks

The Police Executive and Police management teams continued to develop risk assessment as a tool to support prioritisation and decision-making. Risks were identified at executive and individual business group levels to inform the development of business plans at national and business unit levels.

Risk conversations have become commonplace across Police, and police continue to build risk-aware practices. The risk approach is being rolled out to non-commissioned officers at district and area workshops and, in liaison with The Royal New Zealand Police College, the sergeants qualifying courses.

Key achievements include a greater focus on service delivery risks and a refined reporting process. Previously, the focus was on the resources available rather than the priority of their deployment. The reporting process looked to see if the escalation of risks was taking place effectively. There have been some incidents over the last year, and these have priority for ongoing active risk management. This in itself strengthens the experience and understanding in the use of risk assessment to inform decisions and actions.

Risks to services police deliver

There was a focus on enhancing operational risk within service lines. An enhanced risk assessment tool for operational decision-making has been developed and tested with districts. Although this tool can never eliminate the risks in policing, it will strengthen operational procedures and over time become common police practice. Police are actively managing risks at a district level and highlighting risks that need active management to the Police Executive.

Risks to organisational capability

The Police Executive receives quarterly updates on risks to the organisation's capabilities and resources. These capabilities and resources are essential and enable achievement of police outcomes. Periodically, each capability risk is reported against planned actions and discussions at Police Executive Committee meetings. A particular focus is on the current state of that risk in the respective districts. This information then assists the Police Executive to allocate resources and make decisions.

Risks to opportunities

Police looked at future trends across New Zealand (economic, demographic, social, environmental, national, and international trends) to anticipate the services that will be expected from police. These service needs were used to inform opportunities to invest in technology and infrastructure for tomorrow, thereby future-proofing policing services. Quite often, these initiatives span many years and are both costly and complex.

These major police initiatives follow an established project management methodology and the Project Management Office monitors them. This methodology requires project risks to be identified and actively managed. Risk progress is reported monthly along with other performance measures, including financials and deliverables. This governance approach helps to diffuse many situations before they become issues.

Minor projects are also expected to use the Project Management Office's methodology, including the risk management principles.

PART 3

Reducing Inequalities

3.1 Initiatives to reduce offending and victimisation

Māori

Police continues to increase its visibility among Māori communities. Joint participation in community forums has gathered momentum under the banner of 'Whānau Māori'.

"Standing Up for New Zealand" acknowledges that Māori can and must provide effective leadership to reduce crime, develop local solutions and mobilise the strength of Whānau Māori as the driving force and theme of each hui. Further forums are being planned in Auckland and Christchurch in 2010.

Police continue to support Māori to take charge of their own development and approach to problem solving on key crime issues.

Interventions to reduce offending by and victimisation of Māori are summarised below.

Iwi-Led Crime Prevention Plans

A long-term incremental approach has been adopted in developing Iwi-Led Crime Prevention plans to reduce Māori representation in the criminal justice system. Some iwi have acknowledged the value of Iwi-Led Crime Prevention Plans in helping them to plan to prevent crime in their local communities. The progress of iwi initiatives around New Zealand is summarised in Box 15.

Box 15: Iwi initiatives to reduce crime and improve victim support

Ngāti Whātua has combined with the three Auckland Police Districts and Urban Māori Service providers to develop a regional plan.

Te Atiawa has started a dialogue to establish iwi-led safe houses (marae) for victims of family violence, including rehabilitation for violent offenders and the potential to establish youth centres.

Ngāpuhi has rallied the support of its leadership and a commitment to the ongoing development of the Iwi Harm Prevention Plan.

Te Arawa is developing a centralised, coordinated service to Māori communities.

Māori Wardens Programme

The Māori Wardens' reputation in both rural and urban communities has increased significantly. Wardens nationwide have built a profile that has had a steady impact on supporting social and justice outcomes, and they are regularly visible in communities with a focus on drunk and disorderly behaviour and providing community reassurance following incidents of serious violence.

Twenty vans equipped with police radios were distributed to warden groups in 12 Police districts in 2009/10. This has allowed wardens to spend more time on active field work and improve networking with support agencies.

Local recruitment increased the number of wardens with a commensurate increase in the quantity of services provided. Training of the 1,000 wardens improved patrolling techniques and increased the quality of service provided.

Improvements in the management and national coordination of wardens have allowed a broader range of initiatives to be implemented with improved accountability. Recent consultation meetings with wardens favoured a new governance structure to manage the national Māori Wardens Programme.

Intelligence

In 2009/10 Māori Knowledge Profiles were developed in the districts improving the collection, analysis and presentation of data for operational use. This data has spread beyond Police and facilitated a growth in partnership approaches to reduce crime.

Knowledge Profiles have resulted in significant increases in the number of Māori adults apprehended. Police will use the data to help districts to identify the full impact of Māori offending and victimisation.

Gangs

Police conduct high-level engagement meetings with key Māori gang leaders. This relationship assists in deploying resources at the right time to diffuse gang tensions and potentially reduce the number of gang confrontations and clashes in volatile areas such as the Bay of Plenty and South Auckland.

Effective liaison between Police staff and gangs assists Police to more effectively deploy staff to reassure communities.

Pacific peoples

Pacific men are seven times more likely to be convicted of violence than other men. However, Pacific offenders are less likely to reoffend than Māori or European offenders. In the past five years, offending by Pacific people has continued at comparatively high rates with high numbers of apprehensions in the area of family violence in proportion to their make up of the overall population.

Youth gang violence continues to be a major concern in Pacific communities in particularly the Auckland region, and Police are working closely with Pacific community providers and organisations to reduce the fear of crime in all districts where there is a large Pacific youth gang presence.

While Pacific youth are not presently over represented in apprehension statistics in proportion to their make up of the overall youth population, apprehensions for Pacific youth have increased across most violent crime types (robbery, serious assaults and intimidation and threats). Pacific liaison officers have continued to engage with key Pacific youth groups in Auckland. This approach complements the Government's approach to Whānau Ora.

Police recruitment

In 2009/10, Police continued recruitment programmes to attract Pacific people. Pacific people make up 6.6 percent of the total New Zealand population. Police is aiming to achieve this proportion across its staff.

Pre-recruitment programmes were delivered through learning institutions such as Te Wananga o Aotearoa, Unitec and AUT. Tertiary institutions are supported by coaching and mentoring of students by Pacific police staff. Pacific liaison officers have a communication strategy that targets potential Pacific recruits using appropriate Pacific media.

Recruiting and developing Pacific women for leadership roles continues to be a priority for Police. Pacific officers are being deployed into Neighbourhood Policing Teams in Pacific communities.

Pacific Wardens and Pacific Community Safety Patrols

The number of Pacific Warden groups and Pacific Community Safety Patrols increased steadily over 2009/10. Their presence in the community continues to impact positively in terms of dealing with violent Pacific males and Pacific youth. They are very effective in dealing with street disorder and alcohol abuse involving Pacific youth as well as Maori and Pakeha youth. They provide a major and positive presence at large festivals and events involving Pacific communities and mainstream communities.

There are eight Pacific Warden and Community Safety Patrol groups in the Auckland Region and one Pacific Warden Group in Tokoroa in the Bay of Plenty District. They work closely with Police.

An inaugural regional Pacific Wardens and Community Safety Patrols Conference will be organised by Maori, Pacific and Ethnic Services and hosted by the Manukau Police District in August 2010. All nine groups have been invited to attend.

Ethnic peoples

A number of community safety initiatives at both national and district levels were achieved in 2009/10, as mentioned earlier in this report. In addition, specific ethnic peoples initiatives that were implemented by Police in 2009/10 were:

- agency partnerships to address small business crime as well as family violence in ethnic communities. These

initiatives included the development of multilingual resources, seminars and information sharing protocols.

- support for the annual Race Unity Speech Award⁴ and the New Zealand Communities Football Cup (that is sponsored by Police and supported by district councils and ethnic communities) to build trust and confidence with migrant groups, especially those who have had negative experiences with police in their countries of origin.
- orientation seminars and multilingual information on safety and security for international students provided by ethnic liaison officers.

Part 4.1 of this report contains more information about initiatives related to equity and diversity within Police.

Children and young people

The Youth Services team throughout New Zealand has worked alongside the National Community Policing Group (using a community-centred philosophy for problem solving) and Māori, Pacific & Ethnic Services staff to create a workforce capable of addressing community safety concerns and positively influencing children and young people.

In addition to youth initiatives already mentioned in this report Police provided policy advice input to the amendments to the Criminal Investigations Bodily Samples (DNA) legislation, and the enquiry by the Social Services Select Committee about the identification, rehabilitation, and care and protection of child offenders.

The Youth Education Service was proactively involved in positively influencing children and young people's behaviours and choices. The service's programmes and resources fit within the education curriculum and cover crime reduction and social responsibility, drug education, and school road safety education.

⁴ The Race Unity Speech Award is an annual national speech competition that was founded by the Bahai Community and is supported by the Police, Human Rights Commission and Office of Ethnic Affairs.

PART 4

Organisational Health and Capability

4.1 Equity and diversity

In 2009/10, the following Equity & Diversity initiatives were approved for development:

- all new employees (and employees seeking promotion) completed a programme on diversity, as part of their Police induction
- an e-learning Diversity Induction Programme
- a Gender Equity Positive Action Programme, demonstrating Police's commitment to developing an organisation that is an employer of choice.

In addition, the Women's Development Programme moved from a solely district programme to a cross-district and service centre programme, policing seminars were provided for women in a number of districts and the National Equity and Diversity Office run the annual Equity and Diversity Awards.

In 2009/10, districts and service centres completed a number of equity and diversity initiatives, such as:

- the Women's Mentoring Programme (Northland District)
- Sexual Orientation and Gender Identity Training (Auckland District)
- Excellence through Sharing Programme (Auckland Metro Crime and Operations Support)

- Work/Life Balance Seminar (Eastern District)
- Sign Language Taster Classes (Police National Headquarters)
- development of a Pacific Island Network (Wellington District)
- Career Options Road Show (Southern District).

4.2 Recruitment and appointment

The Police are recruiting to achieve the Government's goal of 300 additional constables to Counties Manukau by December 2010 and 600 nationally by December 2011. Recruitment strategies aim to recruit an increased number of young people, women, and people from a variety of ethnic groups so that police better reflect the communities they serve. As at 30 June 2010, 11% of the police workforce was Māori, 4.8% were Pacific and 2.1% were Asian. Seventeen percent of constabulary employees were female.

4.3 Supporting people with disabilities

Police continued to action its responsibilities under the Police Disability Strategy for 2009/10 under the areas of accessibility of information, buildings and services, being a good employer, disability network, supporting staff who have family members with a disability and disability awareness.

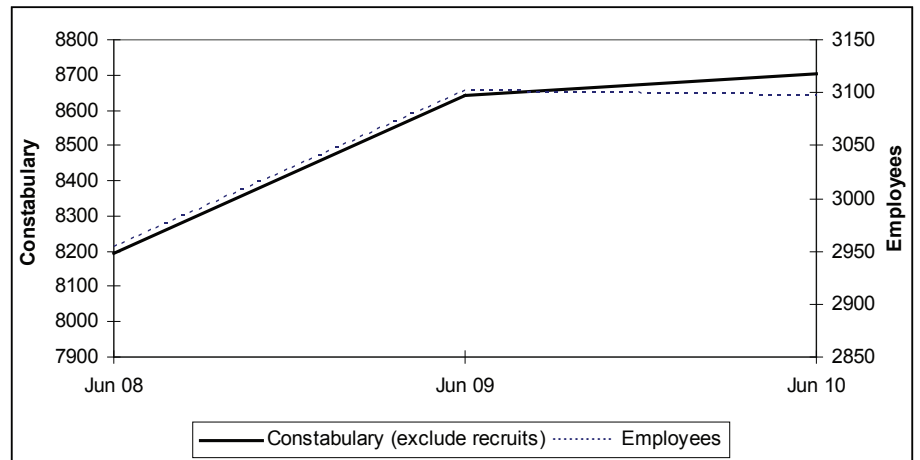
Key achievements in 2009/10 include mental health awareness training in several districts and service centres, a disability-focused equity and diversity video conference, districts and service centres running health seminars, writing Psychiatric Support, Well Check, and Employee Assistance Policies and winning the Deaf Aotearoa Public Service Award.



4.4 Employee statistics

In recent years, there has been a significant increase in the number of FTE employees of the New Zealand Police, see Figure 13. Since June 2008, the number of FTE constabulary employees has grown by 505 (6.0%). In the Counties Manukau district, the Government has set a target of an additional 300 constabulary FTEs. To date, this district has grown by 251 constabulary FTEs (33.3%).

Figure 13: Full-time equivalent staff, 2008–2010



Figures 14-18 provide statistics about Police employees, including gender, ethnicity and rank.

Figure 14: Staff (full-time equivalents), 2009 and 2010

	As at 30 June 2010				As at 30 June 2009				As at 30 June 2008			
	Constabulary	Employees		Total	Constabulary	Employees		Total	Constabulary	Employees		Total
		Operational	Support			Operational	Support			Operational	Support	
Northland	331	25	34	391	327	23	37	387	325	21	36	381
Waitematā	728	77	67	872	752	79	66	897	715	74	68	857
Auckland City	707	53	122	882	744	53	119	916	692	47	118	857
Counties Manukau	1,005	90	130	1,225	811	79	131	1,021	751	76	121	947
Auckland Metropolitan Crime and Operations Support	234	26	43	304	236	25	39	300	221	25	37	283
Waikato	597	56	43	696	616	52	50	718	569	54	47	669
Bay of Plenty	621	62	58	741	631	62	54	746	601	61	57	719
Eastern	404	29	34	467	425	28	36	490	398	28	34	460
Central	675	40	73	788	691	42	73	806	687	38	77	803
Wellington	804	59	105	969	837	63	106	1,007	769	62	104	935
Tasman	308	28	30	366	321	28	30	379	301	29	28	358
Canterbury	871	49	74	994	870	48	78	996	876	47	84	1,007
Southern	574	33	56	664	587	33	58	679	556	35	61	651
Police National Headquarters	86	27	226	340	85	26	245	356	91	26	247	364
Training	117	9	126	252	128	12	145	285	129	9	140	278
Licensing and Vetting	1	22	2	25	1	25	4	30	1	14	7	22
Police Prosecution Service	179	77	68	324	167	71	62	300	152	69	60	280
Communications	87	414	24	526	80	405	23	508	66	392	30	489
Police Infringement Bureau	14	10	84	109	13	10	92	115	14	11	85	110
Commercial Vehicle Investigation Unit	92	3	19	114	87	2	20	109	79	2	22	103
Crime	47	24	81	152	37	24	81	142	41	21	81	143
	As at 30 June 2010				As at 30 June 2009				As at 30 June 2008			
	Constabulary	Employees		Total	Constabulary	Employees		Total	Constabulary	Employees		Total
		Operational	Support			Operational	Support			Operational	Support	

National Tactics Service Centre	77	2	1	80	76	0	1	77	74	0	1	75
International Services Group	83	3	12	98	88	4	10	102	81	7	5	93
Organised and Financial Crime Agency of New Zealand	14	4	6	24	8	5	6	19				0
National Intelligence Centre	14	1	38	53	14	1	41	56				0
Financial Crime Group	22	7	9	38				0				0
Subtotal	8,703	3,099		11,802	8,640	3101		11,741	8,198	2,955		11,153
Corporate Service Centre	5	0	2	7	3	0	1	4	15	0	6	21
Recruits	81	0		81	131	0		131	242	0		242
Total	8,789	3,101		11,890	8,774	3,101		11,876	8,455	2,961		11,416

Notes

- Figures are given on a full-time equivalent basis (that is, employees working on a part-time basis are summed to the equivalent of a full-time employee).
- Numbers do not include employees on leave without pay.
- The Corporate Service Centre includes employees on final retirement leave.
- The consolidation of numbers can produce minor rounding variations between employee numbers. This rounding does not affect the overall position or integrity of the numbers reported.

Figure 15: Employees by gender, 2009 and 2010

Gender	As at 30 June 2010			As at 30 June 2009		
	Constabulary	Employees	Total	Constabulary	Employees	Total
Female	1,524	1,959	3,484	1,511	1,969	3,481
Male	7,264	1,143	8,408	7,262	1,133	8,395
Total	8,789	3,103	11,892	8,774	3,101	11,876
% female	17.3%	63.2%	29.3%	17.2%	63.5%	29.3%

Notes:

- Figures are given on a full-time equivalent basis (that is, employees working on a part-time basis are summed to an equivalent of a full-time employee).
- Numbers do not include employees on leave without pay.
- The consolidation of numbers can produce minor rounding variations between employee numbers. This rounding does not affect the overall position or integrity of the numbers reported.

Figure 16: Ethnic profile of New Zealand Police (2009 and 2010) and New Zealand population (2006)

Ethnicity	Police profile (%)		New Zealand population (2006 census) (%)
	As at 30 June 2010	As at 30 June 2009	
New Zealand European/Pākehā	72.6	72.4	72.8
New Zealand Māori	11.0	11.1	14.6
Pacific peoples	4.8	4.6	7.5
Asian peoples	2.1	2.1	9.3
European	16.4	16.8	7.1
Other ethnic groups	0.5	0.5	1.0

Notes

- Employees are given the option of recording multiple ethnic groups. If an employee has chosen to do this they are counted in each group, so the percentages in this table will add to more than 100%.
- Figures are given on a full-time equivalent basis (i.e. employees working on a part-time basis are summed to an equivalent of a full-time member).
- Table does not include employees on leave without pay.
- Population statistics are from the 2006 census and include all of the people who stated each ethnic group, whether as their only ethnic group or as one of several ethnic groups. Where a person reported more than one ethnic group, they have been counted in each applicable group.

Figure 17: Constabulary staff by rank and gender, 2009 and 2010

Rank	As at 30 June 2010				As at 30 June 2009			
	Male	Female	Total	% female	Male	Female	Total	% female
Commissioner	1		1	0.0	1		1	0.0
Deputy Commissioner	2		2	0.0	1		1	0.0
Assistant Commissioner	4		4	0.0	5		5	0.0
Superintendent	39	3	42	7.1	45	3	48	6.3
Inspector	240	18	258	7.0	231	16	247	6.5
Senior Sergeant	385	41	426	9.6	395	40	434	9.2
Sergeant	1,238	135	1,374	9.8	1,195	130	1,325	9.8
Constable	5,286	1,311	6,596	19.9	5,291	1,298	6,586	19.7
Recruits	69	16	85	18.8	98	25	123	20.3
Total	7,264	1,524	8,789	17.3	7,262	1,511	8,774	17.2

Notes

- Figures are given on a full time equivalent basis (i.e. employees working on a part-time basis are summed to an equivalent of a full-time member).
- Numbers do not include employees on leave without pay.
- Due to the consolidation of numbers some minor rounding variations can occur between employees numbers in the report. This rounding does not affect the overall position or the integrity of the numbers reported.

Figure 18: Staff who do not hold the office of constable by rank and gender, 2009 and 2010

Rank	As at 30 June 2010				As at 30 June 2009			
	Male	Female	Total	% female	Male	Female	Total	% female
Deputy Commissioner						1	1	100.0
Assistant Commissioner	4		4	0.0	5		5	0.0
Superintendent	11	3	14	21.4	9	3	12	25.0
Inspector	80	59	139	42.4	74	60	134	44.8
Senior Sergeant	37	31	68	45.6	39	31	70	44.3
Sergeant	149	109	258	42.2	141	100	241	41.5
Constable	275	285	560	50.9	280	288	568	50.7
Not equivalent to constabulary rank	589	1,471	2,060	71.4	585	1,487	2,072	71.8
Total	1,143	1,959	3,101	63.1	1,133	1,969	3,101	63.5

Notes

- Figures are given on a full time equivalent basis (i.e. employees working on a part-time basis are summed to an equivalent of a full-time employee).
- Numbers do not include employees on leave without pay.
- Employees equivalent ranks are based on remuneration bands not necessarily their positions within the organisational structure.
- Due to the consolidation of numbers some minor rounding variations can occur between employee numbers in the report. This rounding does not affect the overall position or the integrity of the numbers reported.

4.5 Remuneration

The number of Police employees, excluding casual employees employed on an as-required basis who received total remuneration during 2009/10 by \$10,000 band is shown in Figure 19.

Figure 19: Number of staff by salary band, 2009/10

Remuneration band	Total personnel	Overseas [a]	Left New Zealand Police [b]	Started during year [c]	Remuneration authority [d]
0–10,000	503		72	133	
10,000–20,000	299		73	143	
20,000–30,000	269		57	52	
30,000–40,000	405		69	92	
40,000–50,000	760		49	23	
50,000–60,000	1,035		37	21	
60,000–70,000	2,669	3	36	17	
70,000–80,000	1,593	5	20	8	
80,000–90,000	1,790	22	24	3	
90,000–100,000	1,336	23	13	1	
100,000–110,000	1,050	28	8	2	
110,000–120,000	684	11	11		
120,000–130,000	359	17	6	1	
130,000–140,000	164	5	6		
140,000–150,000	76	9	3		
150,000–160,000	44	4	3		1
160,000–170,000	18	3	2		
170,000–180,000	12	2	1		
180,000–190,000	10	2	1		
190,000–200,000	4		1		
200,000–210,000	8		3		
210,000–220,000	3	2			
220,000–230,000	10	2	1		
230,000–240,000	5				
240,000–250,000	4	1			
250,000–260,000	4	2			
260,000–270,000	3	1			1
270,000–280,000	4				
350,000–360,000	1		1		
360,000–370,000	1	1			
370,000–380,000	1	1			
400,000–410,000	1				1
460,000–470,000	1		1		
480,000–490,000	1	1			
500,000–510,000	1				1
600,000–610,000	1				
Total	13,129	145	498	496	4

Notes

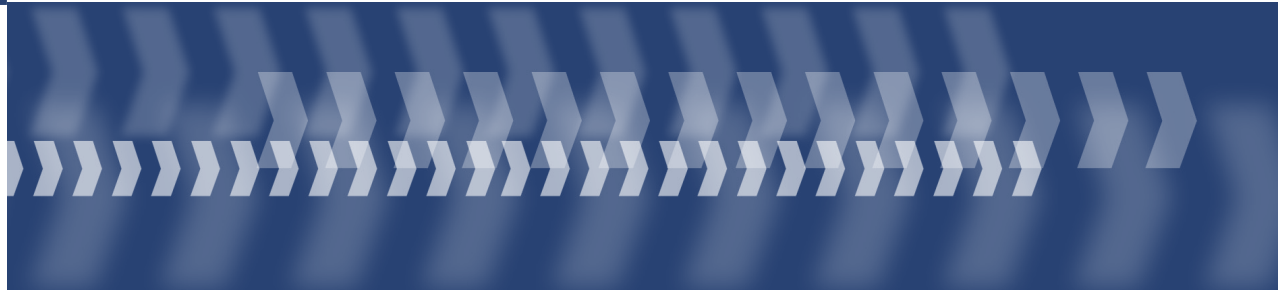
The table includes all employees, including part-time employees, employees who had a period of leave without pay, employees who started during the year, and employees who received pay increases during the year by the remuneration band that they received during 2009/10 not the full-time remuneration at any point of the year. One employee received significant payments due to a ruling of the Employment Court. These payments are reflected in the table.

[a] Employees who received additional allowances relating to their overseas postings.

[b] Employees who left Police during 2009/10 and may have been paid contractual entitlements.

[c] Employees who began working for Police during 2009/10 and have not yet received a full year's remuneration.

[d] Employees whose remuneration was determined by the Remuneration Authority, for at least part of the year.



PART 5

Statement of Service Performance

NEW ZEALAND POLICE FINANCIAL STATEMENTS For the Year Ended 30 June 2010

5.1 Statement of responsibility

As the Commissioner of Police, I am responsible for the preparation of the New Zealand Police's financial statements and the assessments made in the process of producing those statements pursuant to section 35 of the Public Finance Act 1989, in accordance with section 45C of the Public Finance Act 1989.

I have fulfilled my responsibility to establish and maintain systems of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the New Zealand Police for the year ended 30 June 2010, and I authorise the issuance of these financial statements on 30 September 2010.

Signed by:

Howard Broad
Commissioner of Police

Countersigned by:

Bruce Simpson
General Manager Finance

5.2 Statement of Service Performance for the year ended 30 June 2010

Police's approach to performance reporting is the subject of ongoing work. The need to improve performance reporting has been noted by the Auditor-General as an issue for public entities generally,⁵ and Police is continuing its efforts to refine the performance measures used in key accountability documents.

Further impetus comes from joint work to develop a set of key performance indicators for the justice sector as a whole, and the need to ready Police for assessment in the latter half of 2011 using central agencies' Performance Improvement Framework. As a result of this development work, it is expected that the reporting of several performance measures and standards featured in this year's Police Annual Report will be improved.

Output Expense One – Policy Advice and Ministerial Servicing

Output Expense description

This output expense includes:

- the purchase of policy outputs that involve the identification of problems and definitions, researching and monitoring of current practices
- analysing options, writing, discussing and negotiating or issuing instructions about a policy issue
- contribution to the formal government policy process
- services to the Office of the Minister of Police such as responses to ministerial correspondence, answers to written questions in the House, speech drafts and other ministerial advice as well as advice or responses provided to other government agencies and departments.

Sector or departmental outcome links

This output expense covers the preparation, input and coordination of ministerial and policy advice on matters related to legislation and justice and transport sector outcomes.

Outputs purchased within this expense

Output 1.1 – Policy Advice

This output covers the provision of policy advice on policing, and advice on proposed legislation affecting the Police and the criminal justice sector.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
Yes	Police advice is provided in accordance with the work programme agreed with the minister	Yes	Yes
100%	Percentage of policy papers that the minister is satisfied with in regard to the following characteristics: <ul style="list-style-type: none"> • purpose • logic • accuracy • options • consultation • practicality • presentation. 	100%	100%

⁵ Office of the Controller and Auditor-General, *The Auditor-General's Observations on the Quality of Performance Reporting* (June 2008).

Yes	The Commissioner is satisfied with policy advice in that it conforms to the following characteristics.	Yes	Yes
	The policy draws on operational experience.		
	The policy reflects a well-consulted process		
	The policy properly translates into operational instructions.		

Output 1.2 – Ministerial Servicing

This output covers the researching and drafting of ministerial correspondence, and the provision of draft responses to written and oral parliamentary questions.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
617	Number of items of ministerial correspondence referred to the Police for draft reply	786	550 to 850
413	Number of parliamentary questions referred to the Police for draft response	952	660 to 1,200

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
99%	Percentage of draft responses to parliamentary questions that are provided within the timeframes specified	99%	100%

Output Expense Statement

Policy Advice and Ministerial Servicing for the year ended 30 June 2010

2008/09 Actual		2009/10 Actual	2009/10 Main Estimates	2009/10 Supplementary Estimates
\$000		\$000	\$000	\$000
Revenue				
3,021	Revenue Crown	3,111	3,063	3,111
7	Revenue Department	11	5	6
20	Revenue Other	18	9	9
3,048	Total Revenue	3,140	3,077	3,126
Expenses				
2,376	Policy Advice	2,505	2,531	2,571
200	Ministerial Servicing	391	546	555
2,576	Total Expenses	2,896	3,077	3,126
472	Net Surplus (Deficit)	244	-	-

Output Expense Two – General Crime Prevention Services

Output Expense description

This output expense includes the delivery of services within the community that help to prevent crime, including:

- advice that reduces the risk of personal harm and increases the security of property
- youth-focused crime prevention and community safety services
- vetting services for other agencies
- firearms licensing
- dealing with lost and found property.

Sector or departmental outcome links

This output expense covers general proactive interventions. The activities and programmes promote safety in conjunction with general crime prevention. Structured programmes are delivered in schools alongside general youth services, and the information provided aims to increase intolerance to crime as well as enhancing awareness about crime. The output expense also includes initiatives in partnership with local government and community groups that are focused on reducing crime.

Outputs purchased within this expense

Output 2.1 – Community Responsiveness

The output includes the establishment of programmes and the pursuit of strategies in partnership with government agencies, local authorities and other community groups to address crime-related problems in the community. It also covers the provision of advice and information to raise public awareness about safety and security issues. It includes general communication with communities, media articles to promote safety and security issues, and specific advice to victims on practical actions that help to reduce the likelihood of revictimisation. It also covers the provision of administrative and logistical support to community groups including Victim Support and neighbourhood, rural and business support groups.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
134,329	Number of households on the neighbourhood support register	150,000 [1]	240,000

Notes

[1] The outturn is estimated by Neighbourhood Support New Zealand.

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
75%	Percentage of the public that agree that the Police is responsive to the needs of the community	75%	75%
67%	Percentage of the public that agree that the Police is involved in community activities	67%	60%
New Measure for 2009/10	The Organised and Financial Crime Agency New Zealand has built community resilience to organised crime through public and private sector engagement	[2]	Benchmark established

Notes

[2] OFCANZ has published two situational awareness reports and one media release to inform community about organised crime risks. The agency worked with New Zealand Police and publicly released an assessment of organised crime to help inform the community about the threat posed. OFCANZ initiated engagement with seven private sector businesses with an interest/exposure to organised crime.

Output 2.2 – Youth Services

This output covers formal school visits by Police Education Officers to educate children on proactive ways to keep themselves safe, prevent crime and resist drugs. It also includes the development of new school programmes to address emerging needs. It includes proactive Youth Development Programmes designed to prevent at-risk youth from becoming involved in crime or reoffending. The output also includes the provision of proactive Youth Aid services, although it does not include officers' time spent dealing with criminal cases involving young people (which is covered in Output Expense Five).

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
10,918	Number of youth apprehensions dealt with through warnings and cautions	12,077	10,500 to 11,500
16,300	Number of youth apprehensions dealt with through alternative action	16,994 [3]	23,000 to 27,000
3,316	Number of youth referred to Youth Development Programmes	2,447	1,600 to 1,900

Notes

- [3] Police is expecting an increase in the number of young people dealt with by alternative action due to the introduction of the amendments to Children Young Persons and their Families Act (effective 01/10/10) and the governments Fresh Start programme. The new legislation expands the purview of the Youth Court - with an anticipated increase in young people being dealt with by alternative action.

Output 2.3 – Vetting Services

This output covers the vetting of applications for passports and for licences issued by other agencies (e.g., liquor, private investigator, security guard, and motor vehicle licences). It also includes the vetting of people who wish to provide home-stay student care and other services to vulnerable members of society to determine whether they are fit and proper persons to provide these services.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
425,558	Number of vetting services provided	435,561	460,000 to 500,000

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
51%	Percentage of vetting applications processed within 30 working days	58%	95%
Nil	Number of complaints upheld for processing errors of vetting applications	Nil	fewer than 3

Output 2.4 – Firearms Licensing

This output covers the processing of applications for firearms licences, the issuing of licences, the verification of compliance with endorsed licences, enforcement, and the revocation of firearms licences. It also covers the work to ensure people whose licences have expired have lawfully disposed of any firearms they have possessed.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
15,985	Number of applications for firearms licences processed	17,499	38,000 to 48,000
499	Number of firearms licences revoked	729	400 to 600
126	Number of firearms licences revoked in response to actions under the Domestic Violence Act 1995	130	50 to 150

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
New Measure for 2009/10	Number of days taken to process 90% of firearms licence applications	79 days	60 days

Output Expense Statement

General Crime Prevention Services for the year ended 30 June 2010

2008/09 Actual		2009/10 Actual	2009/10 Main Estimates	2009/10 Supplementary Estimates
\$000		\$000	\$000	\$000
Revenue				
98,283	Revenue Crown	102,854	100,728	102,854
250	Revenue Department	367	325	515
2,990	Revenue Other	2,693	2,753	2,976
101,523	Total Revenue	105,914	103,806	106,345
Expenses				
39,458	Community Responsiveness	41,207	40,640	41,277
33,093	Youth Services	34,617	33,768	34,979
10,387	Vetting Services	11,695	11,284	11,464
11,758	Firearms Licensing	13,153	13,129	13,561
4,198	Lost and Found Property	4,196	4,985	5,064
98,894	Total Expenses	104,868	103,806	106,345
2,629	Net Surplus (Deficit)	1,046	-	-

Output Expense Three – Specific Crime Prevention Services and Maintenance of Public Order

Output Expense description

This output expense identifies the specific crime prevention activities undertaken by police that target risk areas, including:

- proactive patrolling
- strategies that focus on reducing repeat victimisation for violence, burglary and vehicle offences
- maintaining order at demonstrations and public events, providing security in court environs and support to aviation security, and providing other general security at international and domestic airports
- the deployment of staff to Cabinet-approved overseas policing operations
- providing secretariat support to the Pacific Island Chiefs of Police.

Sector or departmental outcome links

This output expense provides services aimed at reducing violence, burglary, vehicle offences, organised criminal offending and threats to national security through specific interventions. The interventions are proactive and are customised to the outcome. The activities and programmes are directed at 'at-risk' people or groups and are specific to particular contexts. Structured programmes include risk-targeted patrolling where patrols are directed to locations of repeat offending, recidivist offenders and repeat victims.

Outputs purchased within this expense

Output 3.1 – Directed Patrols

This output covers the proactive strategies that seek to reduce specific crime issues targeted in the Government Crime Reduction Strategy and includes the delivery of foot and mobile patrol activities. Services provided under this output will be managed through Risk Targeted Patrol Plans, which include an information-gathering and intelligence-based risk assessment process focused on delivering a visible police presence to people and areas considered to be at greatest risk from criminal offending. Police patrols undertake such activities as interacting with the public, monitoring property, making routine hotel patrols, visiting places where people congregate, and speaking to people behaving suspiciously or other people of interest.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
221,344	Number of bail curfew checks recorded	270,365 [4]	160,000 to 180,000
23,537	Number of bail and parole breaches of curfew detected	27,508 [4]	16,000 to 18,000

Notes

- [4] Police are conducting more bail curfew checks. The performance standard will be revised to reflect the upward trend in bail checks and breaches detected.

Output 3.2 – Maintenance of Order

The output covers operational duties focused on maintaining public order and preventing breaches of the peace at demonstrations. It includes the delivery of services such as crowd control, dealing with lost children, and public relations at events. It covers security services provided for VIPs, diplomat protection security, witness protection services, support to aviation security, and other general security at international and domestic airports.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
84	Number of public demonstration operations where an operation order has been prepared	132	70 to 110
539	Number of public event operations where an operation order has been prepared	571	480 to 520
124	Number of personal (VIP) security operations where an operation order has been prepared	176	100 to 140
Quality			
Nil	Number of complaints upheld under this output.	Nil	Fewer than 5

Output 3.3 – Staff Deployment Overseas and Support to the Pacific Islands Chiefs of Police

This output covers the requirements of training and deployment of staff overseas. It includes overseas liaison, joint Ministry of Foreign Affairs and Trade operations, and permanent secretariat support to the Pacific Islands Chiefs of Police.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
89	Number of persons deployed annually	86	85
20	Number of capacity-building programmes and projects planned annually	19	10

Output Expense Statement

Specific Crime Prevention Services and Maintenance of Public Order for the year ended 30 June 2010

2008/09 Actual \$000		2009/10 Actual \$000	2009/10 Main Estimates \$000	2009/10 Supplementary Estimates \$000
Revenue				
81,056	Revenue Crown	83,233	80,931	83,233
16,679	Revenue Department	14,683	11,419	16,153
759	Revenue Other	681	426	426
98,494	Total Revenue	98,597	92,776	99,812
Expenses				
49,645	Directed Patrols	51,312	42,976	43,639
23,217	Maintenance of Order	24,055	20,141	20,451
26,521	Staff Deployment Overseas and Support to the Pacific Islands Chiefs of Police	24,139	29,659	35,722
99,383	Total Expenses	99,506	92,776	99,812
(889)	Net Surplus (Deficit)	(909)	-	-

Output Expense Four – Police Primary Response Management

Output Expense description

This output expense includes:

- Communication Centres providing advice and information to callers
- Communications Centres dispatching response vehicles to calls for assistance
- the initial attendance at incidents and emergencies.

Sector or departmental outcome links

This output expense provides services aimed at reducing violence, burglary, vehicle offences, organised criminal offending and threats to national security through operational responses to emergencies, incidents and tasks. The interventions are reactive and customised to the outcome. The deployment of appropriate resources to deal with incidents, offences and tasks in a timely and complete way is vital for the success of many operational situations police face. Police rely on public trust and confidence, and providing responsive policing that is effective and efficient is fundamental to securing that support.

Outputs purchased within this expense

Output 4.1 – Communication Centres

This output covers the three Police Communication Centres, which receive and deal with telephone calls from the public, through to the dispatch of patrols, specialist groups or other emergency services and the conclusion of enquiries where callers are seeking advice and information.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
675,708	Number of 111 calls presented	708,079 [5]	750,000 to 800,000
1,093,523	Number of non-emergency calls presented at Communications Centres	1,062,675	1,060,000 to 1,160,000
291,849	Number of *555 calls presented	279,601	280,000 to 300,000

Notes

[5] The number of 111 calls presented is less than the standard due to the diversion of some non-emergency calls to the Crime Reporting Line.

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
81%	Percentage of randomly surveyed callers who expressed satisfaction with the Communications Centre's response to calls	83%	Result equal to or better than 2008/09 (81%)
95%	Percentage of 111 calls answered within 10 seconds of being presented to the Communications Centres	93%	90%
88%	Percentage of non-emergency calls answered within 30 seconds of being presented to the Communications Centres	85%	80%

Output 4.2 – Police Response to Incidents and Emergencies

This output covers those events that require an immediate response where there is a real threat to life or property. It also covers the initial attendance of police to an incident that is not an emergency response and to events where attendance is sufficient to resolve issues.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
127,544	Number of unique Priority One (P1) events created	128,895	100,000 to 150,000
Quality			
63%	Percentage of Priority One (P1) events created that are attended within 10 minutes of being reported if in an urban area	61% [6]	90%
26 minutes 44 seconds	Time taken for police to arrive at 90% of Priority One (P1) emergency events in urban policing areas	28 minutes 42 seconds[6]	25 minutes
81%	Percentage of Priority One (P1) events created that are attended within 30 minutes of being reported if in a rural area	80%[6]	90%
45 minutes 39 seconds	Time taken for police to arrive at 90% of Priority One (P1) emergency events in rural policing areas	47 minutes 47 seconds[6]	40 minutes

Notes

[6] Year-on-year reductions in these aggregate measures of the timeliness of response have occurred in the face of increasing demand, and reflect the influence of external factors (including higher volumes of 111 calls and P1 events, as well as potentially complex individual situations).

Output Expense Statement

Police Primary Response Management for the year ended 30 June 2010

2008/09 Actual \$000		2009/10 Actual \$000	2009/10 Main Estimates \$000	2009/10 Supplementary Estimates \$000
Revenue				
406,149	Revenue Crown	420,127	412,879	420,127
1,033	Revenue Department	1,463	1,357	1,515
3,218	Revenue Other	2,380	2,159	2,159
410,400	Total Revenue	423,970	416,395	423,801
Expenses				
41,997	Communication Centres	43,607	45,183	45,906
366,728	Police Response to Incidents and Emergencies	381,156	371,212	377,895
408,725	Total Expenses	424,763	416,395	423,801
1,675	Net Surplus (Deficit)	(793)	-	-

Output Expense Five – Investigations

Output Expense description

This output expense includes:

- criminal investigations
- non-criminal investigations.

Sector or departmental outcome links

This output expense provides services aimed at reducing violence, burglary, vehicle offences, organised criminal offending and threats to national security through investigations of crime, offences and certain other events. The interventions are reactive and customised to the outcome. The deployment of appropriate investigative resources to deal with criminal offending and certain incidents in a timely and competent way is vital for the success of many operational situations that Police face. Police rely on public trust and confidence, and providing a robust, effective and efficient investigative response is fundamental to securing that support.

Outputs purchased within this expense

Output 5.1 – Criminal Investigations

This output covers a variety of investigative services that follow from police initial attendance and early investigation of reported crimes. It also includes activity resulting from police-initiated investigations. It further covers arrests resulting from these investigations through to the preparation of files for final case resolution whether by prosecution or by Police diversion. The output includes the execution of search warrants and the interviewing of suspects and offenders. It includes the collection, examination and analysis of forensic crime scene samples, such as fingerprints and DNA, to match crime scene samples with samples held on record.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
98.5	Recorded crime rate of: Dwelling burglaries reported per 10,000 population	98	98
New measure for 2009/10	Recorded crime rate of: Public place violence offences per 10,000 population	47	50 [7]
47.9	Recorded crime rate of: Motor vehicle theft offences* per 10,000 population *(includes unlawful taking and conversion)	44	60
212,045	Number of cases referred for prosecution action by informations laid	198,611	195,000 to 200,000
42,437	Number of family violence incidents recorded	46,937	38,000
48,389	Number of family violence offences recorded	54,104	33,000
New measure for 2009/10	Number of family violence death review investigations undertaken and completed	15	30
New measure for 2009/10	Number of Family Violence Death Reviews commenced within 7 days of an event occurring and completed within 60 days	2	30
New measure for 2009/10	Percentage of family violence repeats in a year as defined by:		
	i. All ethnicities	i. 27%	i. 49%
	ii. Māori	ii. 34%	ii. 58%
	iii. Pacific peoples	iii. 25%	iii. 46%
	iv. Caucasians.	iv. 27%	iv. 51%
		[8]	[8]
96,263	Number of prisoner fingerprints taken	93,373	90,000 to 95,000

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
12,663	Number of DNA Databank samples taken	12,089	10,500 to 11,500
New measure for 2009/10	Number of identifications from scene of crime fingerprints	7,721	7,500 to 8,500 [9]
2185	Number of identifications from scene of crime DNA samples	1,948	2,000 to 2,500
New measure for 2009/10	Number of multi-agency taskforce operations commenced by the Organised and Financial Crime Agency New Zealand (OFCANZ)	3	Benchmark established
New measure for 2009/10	Number of multi-agency taskforce operations concluded by the Organised and Financial Crime Agency New Zealand (OFCANZ)	0	Benchmark established

Notes

[7] The 2009/10 standard was incorrectly recorded as 140 in the Information Supporting Estimates. The standard should be 50.

[8] The method of calculation of the outturn has changed since the publication of the performance standard. As such, there appears to be a significant difference between the 2009/10 outturn and the 2009/10 standard.

[9] The 2009/10 standard was incorrectly recorded as 2,000 to 2,500 in the Information Supporting Estimates. The standard should be 7,500 to 8,500.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
78%	Percentage of people who have reported offences that are advised of results or updated on the investigation within 21 days of reporting that offence	86%	90%
91%	Percentage of burglaries that are attended within 24 hours of being reported	91%	97%
52 hours 36 minutes	Time taken to attend 97% of burglaries	50 hours 43 minutes	57 hours
99%	Percentage of homicide offences resolved (i.e., solved or charges laid) compared with homicide offences recorded	94%	90%
98%	Percentage of Victim Support Groups that are satisfied with the Police provision of services in relation to initial response and criminal investigation	100%	100%

Output 5.2 – Other Investigations

This output covers case investigation of those matters that do not fall within a crime category or those matters dealt with by early case closure. Examples include enquiries into missing people, investigating sudden deaths and services provided to assist people who are mentally ill.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
9,518	Number of non-criminal investigations relating to: Recorded incidents involving persons with mental illness	10,187	9,000 to 9,500
5,211	Number of non-criminal investigations relating to: Reports of sudden deaths	5,068	4,500 to 5,500
14,398	Number of non-criminal investigations relating to: Reports of missing persons	15,638	14,000 to 15,000

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
1	Number of complaints upheld under this output	Nil	Fewer than 3

Output Expense Statement

Investigations for the year ended 30 June 2010

2008/09 Actual \$000		2009/10 Actual \$000	2009/10 Main Estimates \$000	2009/10 Supplementary Estimates \$000
Revenue				
378,038	Revenue Crown	385,178	380,288	385,178
961	Revenue Department	1,339	1,160	1,305
2,995	Revenue Other	2,180	1,610	1,610
381,994	Total Revenue	388,697	383,058	388,093
Expenses				
355,707	Criminal Investigations	365,151	358,400	363,039
24,717	Other Investigations	25,752	24,658	25,054
380,424	Total Expenses	390,903	383,058	388,093
1,570	Net Surplus (Deficit)	(2,206)	-	-

Output Expense Six – Case Resolution and Support to Judicial Process

Output Expense description

This output expense includes:

- prosecuting criminal cases
- resolving non-criminal cases
- executing court orders, fines warrants and arrest warrants
- escorting and holding people in Police cells following arrest
- the custody and escort of arrested, remand and sentenced prisoners as directed by the court
- the care, and when necessary, the temporary custody and escort of people with mental health problems.

Sector or departmental outcome links

This output expense supports the judicial process through prosecutions, the custody of arrested people and remand prisoners, and the execution of court documents.

Outputs purchased within this expense

Output 6.1 – Criminal Case Resolution

This output covers the Police prosecutor's time preparing, consulting and completing cases with the case manager, preparing cases for court and attending at District Court. It includes work within the Police Adult Diversion Scheme and attendance at Family Group Conferences to resolve youth offending. It also covers support to the Coroners Court to resolve Coronial Inquests.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
164,159	Number of prosecutions	158,693	145,000 to 155,000
16,230	Number of diversions	14,208	14,500 to 15,500
2,212	Number of youth apprehensions resolved by way of Family Group Conference	1,998	2,000 to 2,500

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
99.9%	Percentage of prima facie cases established for informations laid	99%	99%
82%	Percentage of files with Victim Impact Statements, where the statement is no older than 28 days when it is required for sentencing	81%	85%
0.1%	Percentage of hearings that do not proceed on the date agreed between the Police and court for reasons that are the responsibility of the Police	0.3%	Less than 0.5%
15%	Percentage of recorded offences resolved: Dwelling burglary	15%	Equal to or better than 2008/09 (15%)
83%	Percentage of recorded offences resolved: Public place violence offences [10]	75%	Equal to or better than 2008/09 (83%)
New Measure for 2009/10	Percentage of recorded offences resolved: Family violence offences	91%	95%
19%	Percentage of recorded offences resolved: Motor vehicle theft offences*	19%	Equal to or better than 2008/09 (19%)
	* (includes unlawful taking and conversion)		

Notes:

[10] This measure has had a change in the wording from 2008/09 to exclude family violence offences.

Output 6.2 – Execution of Court Summonses, Warrants and Orders

This output covers the delivery of services that have been authorised by the issue of a notice, an instruction, an order or a warrant from a legislated authority. It includes the execution of warrants to arrest and fines warrants and breaches of home detention conditions as required, the serving of summonses and other minor offence notices (not including those generated under the Transport Act 1962).

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
76,422	Number of court documents executed	72,143	65,000 to 75,000
Quality			
0	Number of complaints upheld relating to the execution of court documents	2	Fewer than 3

Output 6.3 – Custody and Escort Services

This output covers the escort and holding of prisoners in Police cells following arrest, and includes the holding of remand or some sentenced prisoners in approved locations. It also covers the custody and escort of people requiring assessment under the Mental Health (Compulsory Assessment and Treatment) Act 1989.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
177,933	Number of prisoners held	176,718	155,000 to 165,000
Nil	Number of deaths of persons in custody	Nil	Nil
1,035	Number of electronic monitoring (EM) bail applications assessed	1,298	600 to 750
290	Number of electronically monitored bailees	370 [11]	125 to 175
Quality			
Nil	Number of complaints upheld relating to the custody and escort of prisoners	1	Fewer than 3

Notes:

[11] This outturn is driven by judicial decisions.

Output Expense Statement

Case Resolution and Support to Judicial Process for the year ended 30 June 2010

2008/09 Actual \$000		2009/10 Actual \$000	2009/10 Main Estimates \$000	2009/10 Supplementary Estimates \$000
Revenue				
99,636	Revenue Crown	103,895	102,139	103,895
1,380	Revenue Department	798	1,291	953
812	Revenue Other	592	514	514
101,828	Total Revenue	105,285	103,944	105,362
Expenses				
45,397	Criminal Case Resolution	46,150	45,043	45,891
5,647	Execution of Court Summonses, Warrants and Orders	5,804	5,757	5,850
52,088	Custody and Escort Services	52,656	53,144	53,621
103,132	Total Expenses	104,610	103,944	105,362
(1,304)	Net Surplus (Deficit)	675	-	-

Output Expense Seven – Road Safety Programme

Output Expense description

This output expense covers:

- the delivery of services outlined in the Road Policing Programme directed towards the achievement of road safety outcomes, the largest activity of which covers the delivery of key strategic services such as highway patrol, speed and traffic camera operations, restraint device control, drink or drugged driver control operations, commercial vehicle investigation activity, and visible road safety enforcement
- court prosecution and infringement management
- road safety education activities and community services
- services associated with traffic management such as peak flow, event traffic control and crash attendance.

Sector or departmental outcome links

Evaluation at the programme level establishes the clearest linkage between the interventions identified under this output and overall road safety outcomes. As a member of the transport sector, the Police contributes to, and aims to meet, the following effectiveness measures.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
59	Number of driver fatalities with excess alcohol	66	Fewer than 48
369	Number of pedestrians killed, or injured and admitted to hospital for more than one day, annually	358	Fewer than 392
146	Number of cyclists killed, or injured and admitted to hospital for more than one day, annually	122	Fewer than 146
Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
50%	Percentage of respondents to an annual Ministry of Transport survey who believe there is a high probability of detection of speeding	52%	More than 60%
52%	Percentage of respondents to an annual Ministry of Transport survey who believe there is a high probability of being stopped and tested at compulsory breath test checkpoints.	56%	More than 60%

Outputs purchased within this expense

Output 7.1 – Strategic Road Policing

This output covers the:

- detection and deterrence of speed offending
- detection and deterrence of drink drive offending and targeting recidivist drink drivers
- enforcement of breaches of front and rear restraint usage law
- enforcement of the road code and traffic laws and promotion of safer driving practices
- enforcement of road user charges and commercial vehicle investigation.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
2,161,889	Number of compulsory breath tests conducted	2,211,070	More than 1,900,000
1,001,003	Number of mobile breath tests conducted	1,050,397	More than 700,000
86,752	Number of commercial vehicles stopped by mobile patrols and weighbridges	103,716	86,000

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
Yes (100%)	All strategic road policing delivered in accordance with Risk Targeted Patrol Plans (RTPP) with regard to the fatal five factors: <ul style="list-style-type: none"> • speed control • drinking or drugged driver control • restraint device control • careless and dangerous driving • high-risk drivers. 	100%	100%
100%	Percentage of all commercial vehicles stopped for which vehicle inspection reports are completed	100%	100%

Output 7.2 – Community Engagement on Road Safety

This output covers:

- Police participation in Community Programmes as agreed and planned at the local level
- community road safety liaison and consultation
- management and delivery of Police school road safety education services to schools, including the development of road safety education programmes
- training and monitoring of school traffic safety teams.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
76%	Percentage of all schools contacted by Police Education Officers and/or in receipt of school road safety education sessions	81%	100%

Output 7.3 – Road Policing Incident and Emergency Management

This output covers:

- road crash attendance and investigation
- traffic management services.

Performance Measures

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
331	Number of crashes attended and reported to the New Zealand Transport Agency: Fatal crashes	337	370 to 400
2,098	Number of crashes attended and reported to the New Zealand Transport Agency: Serious injury crashes	1,961	2,000 to 2,200
9,218	Number of crashes attended and reported to the New Zealand Transport Agency: Minor injury crashes	8,827	9,000 to 10,000
27,527	Number of crashes attended and reported to the New Zealand Transport Agency: Non-injury crashes	26,901	29,000 to 32,000
86,216	Number of traffic incidents, blockages and breakdowns recorded	81,801	80,000 to 90,000
32,454	Number of unique Priority One (P1) traffic events created	30,133	30,000 to 40,000

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
62%	Percentage of Priority One (P1) traffic events created that are attended within 10 minutes of being reported if in an urban area	58% [12]	90%
24 minutes 40 seconds	Time taken for Police to arrive at 90% of Priority One (P1) traffic emergency events in urban policing areas	27 minutes 16 seconds [12]	25 minutes
87%	Percentage of Priority One (P1) traffic events created that are attended within 30 minutes of being reported if in a rural area	87% [12]	90%
34 minutes 43 seconds	Time taken for Police to arrive at 90% of Priority One (P1) traffic emergency events in rural policing areas	35 minutes 14 seconds [12]	40 minutes
Nil	Number of complaints upheld against the Police relating to attendance at traffic emergencies and disasters	Nil	fewer than 5

Notes:

[12] Measures of the timeliness of response to P1 traffic events are relatively new (only published since 2008/09), and annual outturns will continue to be monitored before meaningful performance trends can be confidently identified.

Output 7.4 – Road Policing Resolutions

This output covers the management of sanctions, prosecutions and court orders.

Performance Measures

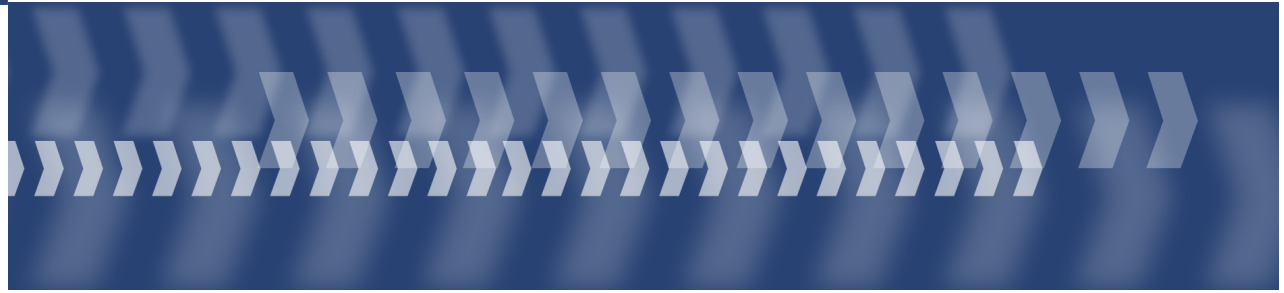
Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quantity			
87,704	Number of traffic prosecutions	81,084	80,000 to 90,000

Outturn 2008/09		Outturn 2009/10	Performance Standard 2009/10
Quality			
Nil	Number of complaints upheld relating to the execution of road policing court documents	1	Nil

Output Expense Statement

Road Safety Programme for the year ended 30 June 2010

2008/09		2009/10	2009/10	2009/10
Actual		Actual	Main Estimates	Supplementary Estimates
\$000		\$000	\$000	\$000
Revenue				
274,908	Revenue Crown	287,911	282,071	287,911
414	Revenue Department	646	955	1,063
-	Revenue Other	-	1,447	1,697
275,322	Total Revenue	288,557	284,473	290,671
Expenses				
213,156	Strategic Road Policing	222,632	215,317	220,066
6,926	Community Engagement on Road Safety	7,194	8,125	8,295
43,999	Road Policing Incident and Emergency Management	45,317	48,601	49,619
12,226	Road Policing Resolutions	12,703	12,430	12,691
276,307	Total Expenses	287,846	284,473	290,671
(985)	Net Surplus (Deficit)	711	-	-



PART 6

Financial Statements

6.1 Financial statements for the year ended 30 June 2010

Statement of accounting policies

Statutory Authority

The financial statements for Police have been prepared in accordance with the requirements of the Public Finance Act 1989. For the purposes of financial reporting Police are a public benefit entity.

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2010.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Accounting Policies and Measurement System

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The measurement base applied is historical cost modified by the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand.

Judgements and Estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Long Service Leave and Sick Leave

Note 15 provides an analysis of the exposure and assumptions in relation to estimates and uncertainties surrounding long service leave and sick leave.

Property, Plant and Equipment

Critical judgements in determining the remaining life of buildings and plant have been made by Police and certified by Beca Valuation Ltd as part of the property revaluation.

Budget Figures

The Budget figures are those included in Police's Statement of Intent for the year ended 30 June 2010, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present updated budget information from the Supplementary Estimates.

Revenue – Operations, interest, rental income and donated or subsidised assets

If revenue has been earned in exchange for the provision of outputs (products or services) to third parties, this is recorded as revenue from operations. Revenue from the supply of services is measured at the fair value of consideration received. Revenue from the supply of services is recognised on a straight-line basis over the specified period for the services unless an alternative method better represents the stage of completion of the transaction.

Interest Income

Interest income is recognised in the Statement of Comprehensive Income in the period it is earned.

Rental Income

Rental income is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Donated or Subsidised Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue in the Statement of Comprehensive Income.

Valuation of Current Assets

Cash and cash equivalents include cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs. Receivables with a duration of less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

Inventories are recorded at the lower of cost (calculated using weighted average method) and net realisable value.

Due to the short-term nature of current assets their fair value approximates to their carrying value.

Property, Plant and Equipment

Items of plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Revaluations are carried out for a number of classes of property, plant and equipment to reflect the service potential or economic benefit obtained through control of the asset. Revaluations are based on the fair value of the asset, with changes reported by class of asset.

Classes of property, plant and equipment that are revalued, are revalued at least every five years or whenever the carrying amount differs materially to fair value. Unrealised gains and losses arising from changes in the value of property, plant and equipment are recognised as at balance date. To the extent that a gain reverses a loss previously charged to the Statement of Comprehensive Income for the asset class, the gain is credited to the Statement of Comprehensive Income. Otherwise, gains are credited to an asset revaluation reserve for that class of asset. To the extent that there is a balance in the asset revaluation reserve for the asset class any loss is debited to the reserve. Otherwise, losses are reported in the Statement of Comprehensive Income.

Accumulated depreciation at revaluation date may be either restated proportionately or eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. The elimination approach is applied unless otherwise indicated.

Land and Buildings

Land and buildings are recorded at fair value less impairment losses and, for buildings, less depreciation accumulated since the assets were last revalued. Fair value has been determined by Police and certified by an independent valuer using market-based evidence, unless insufficient market-based evidence exists, in which case they are valued at optimised depreciated replacement cost. Additions between revaluations are recorded at cost.

Other Property, Plant and Equipment – at cost

Other property, plant and equipment, which include motor vehicles and office equipment, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Disposals

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs.

Non-Current Assets Held for Sale

Non-current assets or disposal groups are separately classified where their carrying amount will be recovered through a sale transaction rather than continuing use; that is, where such assets are available for immediate sale and where sale is highly probable. These assets are recorded at the lower of their carrying amount and fair value less costs to sell.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its estimated useful life. Typically, the depreciation rates for classes of property, plant and equipment are as follows:

Class of Asset	Depreciation rate
Freehold land	Not depreciated
Buildings	1–10%
Plant and equipment	15–50%
Vessels	4.5–25%
Furniture/Fittings	10%
Motor vehicles	17%
Communication and computer assets	20–25%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives, whichever is the shorter.

Employee Entitlements

Employee entitlements to salaries and wages, annual leave, long service leave and other similar benefits are recognised in the Statement of Comprehensive Income when they accrue to employees. Employee entitlements to be settled within 12 months are reported at the amount expected to be paid. The liability for long-term employee entitlements is reported as the present value of estimated future cash outflows.

Termination Benefits

Termination benefits are recognised in the Statement of Comprehensive Income only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Sponsorship

Funds provided by third parties for sponsorship of specific projects are initially recorded as revenue in advance and recognised as revenue at the point the associated expenditure is incurred.

Foreign Currency

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions are recognised in the Statement of Comprehensive Income.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate at balance date. Foreign exchange gains or losses arising from translation of monetary assets and liabilities are recognised in the Statement of Comprehensive Income.

Financial Instruments

Police is party to financial instruments as part of its normal operations. Financial instruments used by Police consist of cash and cash equivalents, accounts receivable, accounts payable and foreign currency forward contracts. Police enters into foreign currency forward contracts to mitigate exposure to foreign exchange movements. In accordance with Police's Foreign Exchange policy, it does not hold or issue derivative financial instruments for trading purposes. Police has not adopted hedge accounting.

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Statement of Comprehensive Income.

Financial assets designated at fair value through profit or loss are recorded at fair value with any realised and unrealised gains or losses recognised in the Statement of Comprehensive Income. Gains or losses reported in the Statement of Comprehensive Income include any interest component.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value. Amortisation and, in the case of monetary items, foreign exchange gains and losses, are recognised in the Statement of Comprehensive Income as is any gain or loss when the liability is released. There are no material risks arising from the financial instruments held by Police.

Intangible Assets

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Police, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired and developed computer software 4–5 years 20%–25%.

Impairment of Non-Financial Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An intangible asset that is not yet available for use at the balance sheet date is tested for impairment annually.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Cost Allocation

Police determines the cost of outputs using the cost allocation system outlined below.

Costs are allocated to output expenses based upon activity profiles assigned to staff positions. For support services which do not directly deliver outputs, the allocation of cost is based on an assessed consumption of that service.

Taxation

Police is exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for taxation has been provided for.

Goods and Services Tax (GST)

All statements are GST exclusive. Accounts receivable and accounts payable in the Statement of Financial Position are GST inclusive. The amount of GST owing to or by the Inland Revenue Department (IRD) at balance date, being the difference between Output GST and Input GST, is included in accounts payable or accounts receivable as appropriate. The net amount of GST paid to, or received from the IRD including GST relating to investing and financing activities is classified as an operating cash flow in the cash flow statement.

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are reported as commitments to the extent that they represent unperformed obligations.

Finance Leases

Finance leases transfer to Police as lessee, substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are amortised over the period in which Police expects to receive benefits from their use.

Operating Leases

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in a systematic manner over the term of the lease. Leasehold improvements are capitalised and the cost is amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

Contingent Liabilities

Contingent liabilities are recorded in the Statement of Contingent Liabilities at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Comparative Information

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Accident Compensation Corporation (ACC) Partnership Programme

Police belongs to the ACC Partnership Programme whereby Police accepts the management and financial responsibility of work related illnesses and accidents of employees. Under the Programme Police is liable for all its claims costs for a period of four years. At the end of the four year period, Police pays a premium to ACC for the value of residual claims, and the liability for ongoing claims from that point passes to ACC.

The liability for the ACC Partnership Programme is measured at the present value of expected future payments to be made in respect of the employee injuries and claims up to the reporting date using actuarial techniques. Consideration is given to expected future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to Police include:

- **Amendment to NZ IAS 17**

This amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs. property, plant and equipment) needs to be determined.

- **Amendment to NZ IAS 7**

This amendment explicitly states that only expenditure that results in a recognised asset can be classified as a cashflow from investing activities.

- **Amendment to NZIAS 18**

This amendment provides additional guidance to determine whether an entity is acting as a principal or as an agent. The features indicating an entity is acting as a principal are whether the entity:

- has primary responsibility for providing the goods or service
- has inventory risk
- has discretion in establishing prices
- bears the credit risk.

Police expects to apply the revised standard for the first time for the year ended 30 June 2011.

- **Revised standard, NZ IFRS 9**

This revised standard includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 on Financial Instruments: Recognition and Measurement.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39.

The revised standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:

- two categories for financial assets being amortised cost or fair value
- removal of the requirement to separate embedded derivatives in financial assets
- strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial Assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows
- an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition
- reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes
- changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income.

Police expects to apply the new standard for the first time for the year ended 30 June 2014.

- **Revision to NZ IAS 24**

This revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

- (a) the definition now identifies a subsidiary and an associate with the same investor as related parties of each other
- (b) entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other
- (c) the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.

A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced party disclosures.

Police expects to apply the revised standard for the first time for the year ended 30 June 2012.

- **Amendment to NZ IFRS 8**

NZ IAS 24 Related Party Disclosures (as revised in 2009) amended NZ IFRS 8 in that it requires an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.

Police expects to apply the revised standard for the first time for the year ended 30 June 2012.

New standards, amendments and interpretations adopted for the year

NZ IAS 1 Presentation of Financial Statements (revised 2007) effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a Statement of Comprehensive Income.

The revised standard gives Police the option of presenting items of income and expense and components of other comprehensive income with subtotals, or in two separate statements. Police have adopted this revised standard for the first time this year and has opted to prepare a single Statement of Comprehensive Income.

Statement of Appropriations for the Year Ended 30 June 2010

	Actual	Main Estimates	Changes during the year	Supplementary Estimates	Actual
	2010	2010	2010	2010	2009
	\$000	\$000	\$000	\$000	\$000
Appropriations for Departmental Output Expenses					
Policy Advice and Ministerial Servicing	2,896	3,077	49	3,126	2,576
General Crime Prevention Services	104,868	103,806	2,539	106,345	98,894
Specific Crime Prevention Services and Maintenance of Public Order	99,506	92,776	7,036	99,812	99,383
Police Primary Response Management	424,763	416,395	7,406	423,801	408,725
Investigations	390,903	383,058	5,035	388,093	380,424
Case Resolution and Support to Judicial Process	104,610	103,944	1,418	105,362	103,132
Road Safety Programme	287,846	284,473	6,198	290,671	276,307
Total Appropriations for Departmental Output Expenses	1,415,392	1,387,529	29,681	1,417,210	1,369,441
Appropriations for Other Expenses					
Compensation for Confiscated Firearms	2	10	-	10	-
United Nations Drug Control Programme	100	100	-	100	100
Total Appropriations for Other Expenses	102	110	-	110	100
Appropriation for Capital Contribution from the Crown	64,028	63,068	960	64,028	57,430
Appropriation for Non-Departmental Expense Flows					
Other Expense to be incurred by the Crown – Telecommunication Interception Capability	4,000	4,000	-	4,000	3,000
Appropriations for Non-Departmental Revenue Flows					
Non-Tax Revenue Infringement Fees	81,458	82,300	(1,900)	80,400	85,970
Sale of Unclaimed Property	344	500	-	500	299
Forfeit to Crown	131	-	-	-	192
Investment Income	31	-	-	-	25
Total Appropriations for Non-Departmental Revenue	81,964	82,800	(1,900)	80,900	86,486

The accompanying notes form part of the financial statements.

Statement of Comprehensive Income for the Year Ended 30 June 2010

		Actual	Main	Supplementary	Actual
		2010	Estimates	Estimates	2009
Note		\$000	2010	2010	2009
			\$000	\$000	\$000
Revenue					
Crown		1,386,309	1,362,099	1,386,309	1,341,091
Other Revenue	2	27,851	25,430	30,901	31,516
Interest		2	-	-	6
Total Revenue		1,414,162	1,387,529	1,417,210	1,372,613
Expenditure					
Personnel	3	1,031,686	984,029	1,018,127	1,011,262
Operating	4	249,647	298,209	264,227	259,643
Depreciation and amortisation expenses	6	74,233	64,751	75,030	62,573
Capital Charge	7	59,826	40,540	59,826	35,963
Total Operating Expenses		1,415,392	1,387,529	1,417,210	1,369,441
Surplus (Deficit) from Outputs		(1,230)	-	-	3,172
Less: Other Expenses	8	2	10	10	-
Net Surplus (Deficit)		(1,232)	(10)	(10)	3,172
Other Comprehensive Income attributable to: Revaluation gains on Land and Buildings		-	-	-	257,132
Total Comprehensive Income		(1,232)	(10)	(10)	260,304

Explanations of significant variances against budget are detailed in note 1.

The accompanying notes form part of the financial statements.

Statement of Movements in Taxpayers' Funds for the Year Ended 30 June 2010

	Actual	Main	Supplementary	Actual
	2010	Estimates	Estimates	
Note	2010	2010	2010	2009
	\$000	\$000	\$000	\$000
Taxpayers' Funds as at 01 July	797,677	540,535	797,678	483,115
Net Surplus (Deficit) for the year	(1,232)	(10)	(10)	3,172
Other Comprehensive Income attributable to: Revaluation gains on land and buildings	-	-	-	257,132
Total comprehensive income for the year	(1,232)	(10)	(10)	260,304
Transactions with owners in their capacity as owners				
Provision for repayment of surplus to Crown	-	-	-	(3,172)
Capital Contribution	64,028	63,068	64,028	57,430
Total Transactions with owners in their capacity as owners	64,028	63,068	64,028	54,258
Total Taxpayers' Funds as at 30 June	860,473	603,593	861,696	797,677
Revaluation reserves consist of:				
Land	87,024	59,419	87,024	87,024
Building	291,712	62,185	291,713	291,712
Total revaluation reserves	378,736	121,604	378,737	378,736

The accompanying notes form part of the financial statements.

Statement of Financial Position as at 30 June 2010

		Actual	Main Estimates	Supplementary Estimates	Actual
		2010	2010	2010	2009
	Note	\$000	\$000	\$000	\$000
Assets					
Current Assets					
Cash		36,779	30,000	30,000	42,909
Accounts Receivable	9	232,128	128,377	196,787	162,153
Prepayments		6,157	6,228	4,610	4,528
Inventories	10	536	40	1,326	1,326
Total Current Assets		275,600	164,645	232,723	210,916
Non-Current Assets					
Property, Plant and Equipment	11	923,115	722,504	943,720	915,669
Intangibles	12	34,739	22,245	24,318	31,322
Non-Current Assets held for sale		-	1,717	-	-
Total Non-Current Assets		957,854	746,466	968,058	946,991
Total Assets		1,233,454	911,111	1,200,781	1,157,907
Liabilities					
Current Liabilities					
Accounts Payable	13	75,110	69,291	42,245	64,963
Other Accrued Expenses	14	11,640	11,090	30,665	13,491
Employee Entitlements	15	150,920	107,137	146,175	144,392
Provision for Repayment of Surplus to the Crown		-	-	-	17,822
Total Current Liabilities		237,670	187,518	219,085	240,668
Non-Current Liabilities					
Employee Entitlements	15	135,311	120,000	120,000	119,562
Total Non-Current Liabilities		135,311	120,000	120,000	119,562
Total Liabilities		372,981	307,518	339,085	360,230
Net Assets		860,473	603,593	861,696	797,677
Taxpayers' Funds					
General Funds		481,737	481,989	482,959	418,941
Property, Plant and Equipment Revaluation Reserves		378,736	121,604	378,737	378,736
Total Taxpayers' Funds	16	860,473	603,593	861,696	797,677

The accompanying notes form part of the financial statements.

Statement of Cash Flows for the Year Ended 30 June 2010

		Actual	Main	Supplementary	Actual
		2010	Estimates	Estimates	
	Note	\$000	2010	2010	2009
		\$000	\$000	\$000	\$000
Cash Flows from Operating Activities					
Cash provided from:					
Supply of Outputs to:					
- Crown		1,316,516	1,342,796	1,352,077	1,300,576
- Others		27,669	25,620	30,499	29,920
		1,344,185	1,368,416	1,382,576	1,330,496
Cash was applied to:					
Produce Outputs:					
- Personnel		(1,000,986)	(980,027)	(1,015,906)	(966,236)
- Operating		(250,188)	(300,307)	(269,907)	(262,131)
- Capital Charge		(59,826)	(40,540)	(59,826)	(35,963)
- Other Expenses		(2)	(10)	(10)	-
		(1,311,002)	(1,320,884)	(1,345,649)	(1,264,330)
Net Cash Flows from Operating Activities	17	33,183	47,532	36,927	66,166
Cash Flows from Investing Activities:					
Cash provided from:					
Interest Income		2	-	-	6
Sale of Non-Current Assets		5,769	1,000	1,000	3,455
Cash was applied to:					
Purchase of Property, Plant & Equipment		(85,736)	(109,600)	(93,246)	(111,545)
Purchase of Intangible Assets		(5,554)	(2,000)	(3,797)	(4,598)
Net Cash Flows from Investing Activities		(85,519)	(110,600)	(96,043)	(112,682)
Cash Flows from Financing Activities					
Cash provided from:					
Capital Contribution		64,028	63,068	64,028	57,430
Cash was applied to:					
Repayment of Surplus to the Crown		(17,822)	-	(17,821)	-
Net Cash Flows from Financing Activities		46,206	63,068	46,207	57,430
Net Increase (Decrease) in Cash Held		(6,130)	-	(12,909)	10,914
Add Opening Cash		42,909	30,000	42,909	31,995
		36,779	30,000	30,000	42,909
Cash Balance Consists of					
Cash at Bank		35,691	29,049	29,049	41,825
Petty Cash		846	738	738	795
Overseas Posts		242	213	213	289
Total Cash		36,779	30,000	30,000	42,909

During the period, Police did not acquire any property, plant and equipment by means of finance lease (2009: nil).

The accompanying notes form part of the financial statements.

Statement of Unappropriated Expenditure for the Year Ended 30 June 2010

Output Expense	Actual	Appropriation	Unappropriated Expenditure	Unappropriated Expenditure
	2010	2010	2010	2009
	\$000	\$000	\$000	\$000
Police Primary Response Management	424,763	423,801	962	-
Specific Crime Prevention Services and Maintenance of Public Order	99,506	99,812	-	271
Investigations	390,903	388,093	2,810	-
Case Resolution and Support to Judicial Process	104,610	105,362	-	1,690

Expenses and Capital Expenditure Interim Authority under Imprest Supply approved under Section 26C of the Public Finance Act 1989

Unappropriated expenditure was forecast and incurred with interim authority to spend sought and confirmed under Section 26C.

Statement of Trust Monies for the Year Ended 30 June 2010

	Opening Balance	Capital Increase	Capital Distribution	Cash Receipts	Cash Expenditure	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000
Bequests, Donations and Appeals	161	10	(9)	-	-	162
Reparation	8	50	(49)	-	-	9
Money in Custody	9,336	4,259	(4,119)	-	-	9,476
Found Money	335	124	(402)	-	-	57
Total	9,840	4,443	(4,579)	-	-	9,704

The trust account holds funds retained by Police on behalf of other parties.

Bequests, donations and appeals are monies contributed by third parties for projects managed by Police.

Reparation money is money received from offenders to be paid to victims.

Money in custody is monies seized during operations and money held for suspects in custody.

Found money is money that has been handed in by members of the public, that Police holds pending the rightful owner coming forward to claim it.

The accompanying notes form part of the financial statements.

Statement of Contingent Liabilities and Contingent Assets as at 30 June 2010

Unquantifiable Contingent Liabilities: \$nil (2009: \$nil).

Quantifiable Contingent Liabilities

	Actual 2010 \$000	Actual 2009 \$000
Legal Proceedings and Disputes	699	295
Personal Grievances	26	28
	725	323

Legal proceedings

Legal proceedings represent claims lodged with the Crown Law office, but which have not been settled. Previous experience with such claims is that the majority are unsuccessful in total and those that are resolved in favour of the claimant are for amounts substantially less than the amount claimed.

Personal grievances

Personal grievances represent amounts claimed by employees of Police for personal grievances cases, for various reasons.

Contingent Assets

Police has no contingent assets in 2010 (2009: \$nil).

The accompanying notes form part of the financial statements.

Statement of Commitments as at 30 June 2010

Capital Commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for nor recognised as a liability at the balance sheet date.

Non-Cancellable Operating Lease Commitments

Police leases property, plant and equipment in the normal course of its business.

The majority of these leases are for premises, computer equipment and photocopiers, which have a non-cancellable leasing period ranging from 1 to 18 years.

Other Non-Cancellable Commitments

Police have entered into non-cancellable contracts for computer maintenance, cleaning and other service contracts.

	Actual 2010 \$000	Actual 2009 \$000
Capital Commitments		
Works		
Less than One Year	1,152	6,413
Total Works	1,152	6,413
Plant & Equipment		
Less than One Year	6,535	1,511
Total Plant & Equipment	6,535	1,511
Motor Vehicles		
Less Than One Year	4,504	4,396
Total Motor Vehicles	4,504	4,396
Total Capital Commitments	12,191	12,320
Operating		
Accommodation Leases		
Less than One Year	15,386	14,355
One to Two Years	14,133	12,986
Two to Five Years	36,002	35,300
Greater Than Five Years	41,497	49,337
Other Non-Cancellable Leases		
Less Than One Year	569	35
One to Two Years	272	35
Two to Five Years	317	9
Greater Than Five Years	-	-
Total Leases	108,176	112,057

The accompanying notes form part of the financial statements.

Statement of Commitments as at 30 June 2010 - continued

	Actual 2010 \$000	Actual 2009 \$000
Other Operating		
Less Than One Year	38,776	37,298
One to Two Years	23,516	27,825
Two to Five Years	9,809	24,931
Greater Than Five Years	-	422
Total Other Operating	72,101	90,476
Total Operating	180,277	202,533
Total Commitments	192,468	214,853

The accompanying notes form part of the financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2010

1. Budget Composition

	Main Estimates \$000	Supplementary Estimates Changes \$000	Budget Total \$000
Revenue			
Crown	1,362,099	24,210	1,386,309
Other	25,430	5,471	30,901
Total Revenue	1,387,529	29,681	1,417,210
Expenditure			
Personnel	984,029	34,098	1,018,127
Operating	298,209	(33,982)	264,227
Depreciation and Amortisation Expenses	64,751	10,279	75,030
Capital Charge	40,540	19,286	59,826
Total Output Operating Expenses	1,387,529	29,681	1,417,210
Surplus (Deficit) from Outputs	-	-	-
Less: Other Expenses	10	-	10
Net Surplus (Deficit)	(10)	-	(10)

Explanations for major variances from the initial Budget Estimates were outlined in the Supplementary Estimates. These were:

Crown Revenue

- Implementation of the 2009 wage round negotiation \$24.556 million [DOM Min (09) 25/3]
- Additional capital charge on property revaluation \$18.499 million
- Continued deployment on United Nations Mission in Timor-Leste (UNMIT) [ERD Min (09) 4/2] \$0.910 million
- Anti-Money Laundering and Countering Financing of Terrorism Bill \$0.791 million
- Domestic Violence (Enhancing Safety) Bill \$0.741 million
- Less: funds allocated to other priorities in the Justice Sector \$20.000 million
- Less: contribution to Independent Police Conduct Authority \$1.700 million.

Other Revenue

- Deployment to Timor-Leste under UNMIT [ERD Min (09) 4/2] \$2.981 million
- Deployment to Tonga Development project \$1.206 million
- Deployment to Bougainville - phase 4 \$0.988 million.

2. Other Revenue

	Actual 2010 \$000	Actual 2009 \$000
Arms Licences	2,096	2,211
Chargeable Police Services	3,400	3,643
Department of Corrections Remand Prisoners	434	1,119
Other	2,965	3,647
Overseas Deployments	12,731	14,537
Pacific Island Chiefs of Police Secretariat Support	881	911
Pacific Peoples Domestic Violence Programme	847	958
Property Rentals	1,097	1,186
Sponsorship	5	122
State Sector Retirement Superannuation Scheme: SSC Contribution	3,152	2,853
The Royal NZ Police College: Catering Facility Hire and Non-Police Training	243	329
Total Other Revenue	27,851	31,516

3. Personnel

	Actual 2010 \$000	Actual 2009 \$000
Accident Compensation Costs	6,913	9,397
Fringe Benefit Tax	1,565	1,787
Salaries/Wages	877,289	836,820
Staff Insurance	1,849	1,745
Staff Recruitment	309	1,041
Staff Transport Assistance	364	816
Superannuation	102,336	97,352
Training	3,886	4,967
Transfer/Removal Expenses	1,901	2,835
Increase in Employee Entitlements	34,238	53,384
Other	1,036	1,118
Total Personnel	1,031,686	1,011,262

4. Operating

	Actual 2010 \$000	Actual 2009 \$000
Audit Fees	308	307
Other Fees Paid to Auditor *	-	77
Bad Debt Expenses	-	11
Changes in Doubtful Debt Provision	37	120
Clothing, Equipment and Consumables	24,366	21,272
Communications	19,113	21,304
Computer Charges	24,584	23,301
Computer Leasing Expenses	4,019	2,144
Equipment Rental	1,424	1,612
ESR Forensic Science Services	21,032	23,589
Foreign Exchange Rate (Gain)/ Loss	(10)	(78)
(Profit)/Loss on Sale of Non-Current Assets (Note5)	48	571
Other Operating Expenses	10,488	12,010
Physical Assets Write-offs	102	8
Printing	8,796	8,356
Professional Services	20,070	20,632
Legal Expenses	3,821	6,410
Prof Services -Non Government Organisations	3,189	3,304
Property Rentals	19,950	19,390
Property Utilities, Rates and Maintenance	29,701	27,989
Third Party Expenses	4,444	5,175
Travel	18,103	24,062
Vehicle/ Aircraft/ Launch Rentals	9,074	7,842
Vehicle Expenses	26,988	30,235
Total Operating	249,647	259,643

*Note to Other Fees Paid to Auditor: During the year \$17,845 was paid to Ernst & Young, as professional fees in relation to the Radio Replacement Network IQA. As the amount has been capitalised it is not shown under Other Fees Paid to Auditor.

5. (Profit)/Loss on Sale of Non-Current Assets

	Actual 2010 \$000	Actual 2009 \$000
Disposal of Land and Buildings	778	37
Sale of Motor Vehicles and Launches	(1,170)	534
Write-off Buildings and Fitout as a Result of Revaluation	440	-
(Profit)/Loss on Sale of Non-Current Assets	48	571

During the year Police disposed of Land & Buildings at the following addresses, which were found to be surplus to requirement after the opening of new police stations.

Address	Loss \$000
98 Children's Road, Gisborne Police Station	742
Waiheke Island Police Station and Tied House	36
	778

During the year Police wrote off buildings and fitouts in the following addresses to the extent they were found to be overvalued during the revaluation process.

Address	Loss \$000
Lockers and car park at 240 Chadwick Road, Tauranga South	149
Female showers and fitout at 39-40 Victoria Street, Wellington	155
Garage at 53 Kensington Street, Putaruru	47
Others with value <\$50,000	89
	440

6. Depreciation & Amortisation of Intangibles

	Actual 2010 \$000	Actual 2009 \$000
Buildings	19,355	14,892
Plant and Equipment, Computer Equipment and Communication Assets	22,114	19,577
Vessels	405	406
Furniture and Fittings	832	319
Motor Vehicles	18,202	17,861
Amortisation of Intangibles	13,325	9,518
Total Depreciation	74,233	62,573

7. Capital Charge

Police pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2010 was 7.5% (2009: 7.5%).

8. Other Expenses

	Actual 2010 \$000	Actual 2009 \$000
Compensation for Confiscated Firearms	2	-
Total Other Expenses	2	-

9. Accounts Receivable

	Actual 2010 \$000	Actual 2009 \$000
Trade Debtors	1,568	3,631
Sundry Debtors and Employee Debt	4,678	4,020
Less: Provision for Doubtful Debts	(759)	(722)
Net Debtors	5,487	6,929
Debtor Crown	226,641	155,224
Total Accounts Receivable	232,128	162,153

The carrying value of debtors and other receivables approximate their fair value.

As at 30 June 2010 and 30 June 2009, all overdue receivables have been assessed for impairment and appropriate provision applied, as detailed below:

	2010			2009		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Past due	5,487	-	5,487	6,929	-	6,929
Overdue 180 days	759	759	-	722	722	-
Total	6,246	759	5,487	7,651	722	6,929

Those past due less than 180 days have not been impaired as there is no loss expected.

The provision for doubtful debts has been calculated based on expected losses. Expected losses have been determined based on Police's review of its debtors.

Movements in the provision for doubtful debts are as follows:

	Actual 2010 \$000	Actual 2009 \$000
Balance at 1 July	722	602
Additional provisions made during the year	37	131
Debts written off during the period	-	(11)
Total	759	722

10. Inventories

	Actual 2010 \$000	Actual 2009 \$000
Accoutrements/ Other	536	1,326
Total Inventories	536	1,326

The carrying value of inventories held for distribution at 30 June 2010 is \$nil (2009: \$nil).

The write down of inventories held for distribution was \$nil (2009: \$nil).

No inventories are pledged as securities for liabilities.

11. Property, Plant & Equipment

As at 30 June 2010

Cost:	Land	Buildings	Furniture & Fittings	Plant, Equip, Computer & Comm. Assets	Motor Vehicles	Vessels	Capital Work in Progress	Total
Opening Balance	168,834	583,487	15,856	242,451	125,363	6,856	82,226	1,225,073
Additions	1,650	4,006	279	10,736	20,568	80	48,145	85,464
Revaluations	-	-	-	-	-	-	-	-
Disposals and Transfers	(1,200)	(844)	2,216	(22,585)	(21,421)	(986)	(68,763)	(113,583)
Closing Balance	169,284	586,649	18,351	230,602	124,510	5,950	61,608	1,196,954
Accumulated Depreciation:								
Opening Balance	-	40,864	13,928	189,152	61,945	3,515	-	309,404
Depreciation for the year	-	19,355	832	22,114	18,202	405	-	60,908
On Disposals and Transfers	-	(36,933)	(551)	(39,267)	(18,991)	(731)	-	(96,473)
Closing Balance	-	23,286	14,209	171,999	61,156	3,189	-	273,839
Closing Book Value	169,284	563,363	4,142	58,603	63,354	2,761	61,608	923,115

As at 30 June 2009

Cost:	Land	Buildings	Furniture & Fittings	Plant, Equip, Computer & Comm. Assets	Motor Vehicles	Vessels	Capital Work in Progress	Total
Opening Balance	137,985	300,468	15,783	300,508	119,647	6,652	84,557	965,600
Additions	10	20,018	94	7,474	24,001	204	59,376	111,177
Revaluations	27,605	229,527	-	-	-	-	-	257,132
Disposals and Transfers	3,234	33,474	(21)	(65,531)	(18,285)	-	(61,707)	(108,836)
Closing Balance	168,834	583,487	15,856	242,451	125,363	6,856	82,226	1,225,073
Accumulated Depreciation:								
Opening Balance	-	25,986	13,644	254,342	59,407	3,109	-	356,488
Depreciation for the year	-	14,892	319	19,577	17,861	406	-	53,055
On Disposals and Transfers	-	(14)	(35)	(84,767)	(15,323)	-	-	(100,139)
Closing Balance	-	40,864	13,928	189,152	61,945	3,515	-	309,404
Closing Book Value	168,834	542,623	1,928	53,299	63,418	3,341	82,226	915,669

Land and Buildings have been valued at fair value as at 30 June 2009 by Police and this valuation has been independently certified by Beca Valuation Ltd.

The total amount of Property, Plant and Equipment in the course of construction is \$61.608 million (2009: \$82.226 million). The net carrying amount of Office Equipment held under finance lease is \$nil (2009: \$nil).

No impairment losses have been recognised in 2010 (2009: \$nil).

Restrictions to Titles of Non-Current Assets

As at 30 June 2010 Land and Buildings of which Police has possession and use, but for which legal title is not completely established, amounted to \$13.212 million (30 June 2009: \$14.850 million).

In most cases titles will be established by gazette notice, which will formally vest the titles in Police.

All surplus Land and Buildings are subject to the Crown land disposal process as specified by the Public Works Act 1981.

12. Intangible Assets: Acquired Software

	Actual 2010 \$000	Actual 2009 \$000
Cost		
Opening Balance	76,801	99,140
Additions	5,554	4,598
Disposals and transfers	11,543	(26,937)
Balance at 30 June	93,898	76,801
Accumulated Amortisation and Impairment Losses		
Opening Balance	45,479	69,286
Amortisation during the year	13,325	9,518
Disposals and transfers	355	(33,325)
Balance at 30 June	59,159	45,479
Book Value	34,739	31,322

There are no restrictions over the title of the intangible assets, nor are the assets pledged as security for liabilities.

13. Accounts Payable

	Actual 2010 \$000	Actual 2009 \$000
Trade Creditors	8,236	5,002
Accrued Expenses and Provisions	43,007	34,485
PAYE Payable	10,351	10,007
GST Payable	13,516	15,469
Total Accounts Payable	75,110	64,963

Payables are non-interest bearing and are normally settled on 30 days terms; therefore the carrying value approximates their fair value.

14. Other Accrued Expenses

	Actual 2010 \$000	Actual 2009 \$000
Sponsorship Reserve	102	123
Accident Compensation and Accredited Employer Programme Provisions	11,538	13,368
Total Other Accrued Expenses	11,640	13,491

15. Employee Entitlements

	Actual 2010 \$000	Actual 2009 \$000
Current Liabilities		
Accrued Salaries and Wages	124	59
Annual Leave	122,039	115,867
Long Service Leave	14,474	14,058
Sick Leave	604	608
Shift Leave	13,679	13,800
Total Current Portion	150,920	144,392
Non-Current Liabilities		
Long Service Leave	131,989	116,502
Sick Leave	3,322	3,060
Total Non-Current Portion	135,311	119,562
Total Employee Entitlements	286,231	263,954

An independent actuarial valuation was undertaken by Aon Consulting New Zealand Ltd as at 30 June 2010 to estimate the present value of long service leave.

The present value of long service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating these liabilities are the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. The interest rates on NZ Government bonds with terms of maturity that match closely to the estimated future cash outflows have been considered in determining the discount rate. Historical salary patterns have been considered in determining the salary inflation factor after obtaining advice from an independent actuary.

If the salary inflation factor were to increase by 1% from the estimate with all other factors held constant the carrying amount of the liability would increase by \$8.500 million. If the salary inflation factor were to decrease by 1%, the liability would decrease by \$7.620 million.

16. Taxpayers' Funds

	Actual 2010 \$000	Actual 2009 \$000
General Funds		
General Funds Balance at 1 July	418,941	361,511
Provision for Repayment of Surplus to the Crown	17,822	14,650
Taxpayers' Funds at 1 July	436,763	376,161
Net Surplus (Deficit) for the year	(1,232)	3,172
Capital Contribution	64,028	57,430
Asset Revaluation Reserve	378,736	378,736
	878,295	815,499
Repayment of Surplus to the Crown	(17,822)	(17,822)
General Funds as at 30 June	860,473	797,677

17. Reconciliation of Net Surplus to Net Cash Flow from Operating Activities

	Actual 2010 \$000	Actual 2009 \$000
Net Surplus (Deficit)	(1,232)	3,172
Add (less) Non-Cash Items		
Depreciation and Amortisation Expenses	74,233	62,573
Fixed Assets write off	102	-
Total Non-Cash items	74,335	62,573
Add (Less) Items Classified as Investing or Financing Activities:		
Gains (Losses) on disposal of Property, Plant and Equipment	48	571
Interest	(2)	-
Net Investing or Financing Activities	46	571
Add (Less) Movements in Working Capital Items:		
Increase (Decrease) in Accounts Payable	10,422	(4,693)
(Increase) Decrease in Accounts Receivable	1,442	(1,597)
Increase (Decrease) in Employee Entitlements	22,277	44,173
(Increase) Decrease in Debtor Crown	(71,417)	(40,515)
(Increase) Decrease in Inventories	790	(1,288)
(Increase) Decrease in Prepayments	(1,629)	1,694
Increase (Decrease) in Other Accrued Expenses	(1,851)	2,076
Net Working Capital Movements	(39,966)	(150)
Net Cash Flows from Operating Activities	33,183	66,166

18. Related Party Transactions

Police is a wholly owned entity of the Crown. The Government is the major source of revenue.

Police entered into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an arm's length basis. Where these parties are acting in the course of their normal dealings with Police, related party disclosures have not been made.

Apart from those transactions described above, Police has not entered into any related party transactions.

19. Key Management Personnel Compensation

	Actual 2010 \$000	Actual 2009 \$000
Salaries and other short term employee benefits	5,924	6,830
Other long-term benefits	1,760	1,759
Total Compensation	7,684	8,589

Key management personnel included are members of the Police Executive Committee which comprises the Commissioner, Deputy Commissioners, Assistant Commissioners, District Commanders and General Managers.

20. Segmental Information

Police operates in one industry sector: the provision of policing services. Activities are primarily carried out from New Zealand. Police operates a number of overseas posts and deployments; however the annual cost of these activities is approximately 1.02% of Vote Police.

21. Post Balance Date Events

There were no significant events subsequent to balance date that had a material impact on the financial statements.

22. Provisions

Police self-insures for ACC purposes. An independent actuarial assessment of ongoing costs relating to outstanding claims has been prepared by Davies Financial & Actuarial Limited as at 30 June 2010, resulting in a provision for work-related accidents of \$3.025 million (30 June 2009: \$3.062 million).

Personnel disputes that have arisen with a likelihood of settlement have been provided for, along with personnel settlements payable under collective contract provisions that are unable to be paid until the financial year is complete. Provision for personnel contract settlements as at 30 June 2010 \$4.253 million (30 June 2009 \$2.221 million).

	Balance at Beginning of Year \$000	Amount Used \$000	Not Required \$000	Additional Amount \$000	Balance at End of Year \$000
Work Related Accidents	3,062	(3,062)	-	3,025	3,025
Provision for Personnel contract settlement	2,221	(122)	(2,099)	4,253	4,253
Total Provisions	5,283	(3,184)	(2,099)	7,278	7,278

23. Financial Instrument Risks

Police's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Police has series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Police's foreign exchange management policy requires management of currency risk arising from future transactions and recognised liabilities by entering into foreign exchange forward contracts to hedge the entire foreign currency risk exposure. This policy has been approved by the Treasury and is in accordance with the requirements of the Treasury guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Police, causing Police to incur a loss.

Police is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange forward contracts with Westpac or the New Zealand Debt Management Office. These entities have high credit ratings. For its other financial instruments Police does not have significant concentrations of credit risk.

Police's maximum exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

Liquidity risk is the risk that Police will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements Police closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. Police maintains a target level of available cash to meet its liquidity requirements.

The following table reflects all contractually fixed pay-offs and repayments resulting from recognised financial liabilities as of 30 June 2010. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract. However, where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which Police can be required to pay. When Police is committed to make amounts available in installments, each installment is allocated to the earliest period in which Police is required to pay.

	Less than 6 months \$000	Between 6 months to 1 year \$000	Between 1 year and 5 years \$000	Over 5 years \$000
2010				
Creditors and payables	74,481	71	485	73
2009				
Creditors and payables	64,431	51	336	145

24. Categories of Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2010 \$000	Actual 2009 \$000
Loans and Receivables		
Cash and Cash Equivalents	36,779	42,909
Debtors and Other Receivables (Note 9)	232,128	162,153
Total Loans and Receivables	268,907	205,062
Financial Liabilities Measured at Amortised Cost		
Creditors and Other Payables (Note 13)	75,110	64,963
Total Financial Liabilities	75,110	64,963

Non-Departmental Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These non-departmental balances are consolidated into the Crown Financial Statements and therefore readers of these financial statements and schedules should also refer to the 2009/10 Crown Financial statements.

Schedule of Revenue and Expenses for the Year Ended 30 June 2010

	Actual	Main Estimates	Supplementary Estimates	Actual
	2010	2010	2010	2009
	\$000	\$000	\$000	\$000
Revenue	81,964	82,800	80,900	86,486
Total Non-Departmental Revenue (1)	81,964	82,800	80,900	86,486
Expenses	4,100	4,100	4,100	3,100
Total Non-Departmental Expenses	4,100	4,100	4,100	3,100


Note 1 Refer to the Statement of Appropriation for an analysis of revenue.

Schedule of Assets and Liabilities as at 30 June 2010

	Actual	Main Estimates	Supplementary Estimates	Actual
	2010	2010	2010	2009
	\$000	\$000	\$000	\$000
Current Assets				
Cash	3,213	327	170	170
Accounts Receivable	5,504	200	8,520	4,420
Total Non-Departmental Assets	8,717	527	8,690	4,590
Accounts Payable	8,511	100	8,520	4,420
Funds held on behalf of Crown	206	427	170	170
Total Non-Departmental Liabilities	8,717	527	8,690	4,590

For a full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements for the Government for the year ended 30 June 2010.

6.2 Audit report



Chartered Accountants

AUDIT REPORT

**TO THE READERS OF
NEW ZEALAND POLICE'S
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010**

The Auditor-General is the auditor of New Zealand Police ("Police"). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit on her behalf. The audit covers the financial statements the schedules of non-departmental activities and statement of service performance included in the annual report of Police, for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of Police on pages 54 to 81:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - Police's financial position as at 30 June 2010;
 - the results of its operations and cash flows for the year ended on that date;
 - its expenses and capital expenditure incurred against each appropriation administered by Police and each class of outputs included in each output expense appropriation for the year ended 30 June 2010; and
 - its unappropriated expenses and capital expenditure for the year ended 30 June 2010.
- The schedules of non-departmental activities on pages 65 and 81 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by Police on behalf of the Crown for the year ended 30 June 2010.
- The statement of service performance of Police on pages 33 to 53:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses included in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 30 September 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and the Auditor, and explain our independence.



Chartered Accountants

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Commissioner;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Commissioner and the Auditor

The Commissioner is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of Police as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date.

The financial statements must also fairly reflect the expenses and capital expenditure incurred against each appropriation administered by Police and each class of outputs included in each output expense appropriation for the year ended 30 June 2010. The financial statements must also fairly reflect Police's unappropriated expenses and capital expenditure for the year ended on that date.

In addition, the Commissioner is responsible for preparing schedules of non-departmental activities, in accordance with the Treasury Instructions 2009 that must fairly reflect the assets, liabilities, revenues,



Chartered Accountants

expenses, contingencies, commitments and trust monies managed by Police on behalf of the Crown for the year ended 30 June 2010.

The statement of service performance must fairly reflect, for each class of outputs, Police's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year.

The Commissioner's responsibilities arise from sections 45A and 45B of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the area of independent quality assurance which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in Police.

The Auditor-General, as an officer of Parliament, is constitutionally and operationally independent of the Government, and of public entities such as Police. Prior to commencing her role as Auditor-General on 5 October 2009 the Auditor General, Lyn Provost, was Deputy Commissioner of Police. Thus the Deputy Auditor-General deals with all matters relating to the Police. Other than this matter, the Auditor-General has no relationship with or interests in Police.

Grant Taylor
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance

This audit report relates to the financial statements and statement of service performance of New Zealand Police for the year ended 30 June 2010 included on the Police website. The Commissioner is responsible for the maintenance and integrity of the Police website. We have not been engaged to report on the integrity of the Police website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 30 June 2010 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

PART 7

Information Required by Statute

7.1 Interception warrants

In accordance with the provision of section 29 of the Misuse of Drugs Amendment Act 1978, the information in Figure 20 is provided.

Figure 20: Interception Warrants (under the Misuse of Drugs Act 1975), 2007/08–2009/10

Section 14 (Interception Warrants)	2009/10	2008/09	2007/08
Number of applications made	83	37	34
Number of applications granted	83	37	34
Number of applications refused	Nil	Nil	Nil
Number of persons warrants*	49	26	33
Number of premises warrants	20	11	1
Number of warrants which authorised entry onto private premises	32	19	13
Average duration of warrants including renewals (days)**	26	23.52	27
Number of persons prosecuted	142	93	165
Number of persons convicted	21	12	14
Number of persons still under prosecution	121	68	151
Number of prosecutions instituted against Police (including former members) for offences against Section 23 of the Misuse of Drugs Amendment Act 1978	Nil	Nil	Nil
Section 15A (Interception Warrants)	2009/10	2008/09	2007/08
Number of applications made	3	1	6
Number of applications granted	3	1	6
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	3	1	5
Number of premises warrants	Nil	Nil	1
Number of warrants which authorised entry onto private premises	Nil	1	2
Average duration of warrants including renewals (days)	30	27	43
Number of persons prosecuted	266	18	27
Number of persons convicted	21	4	Nil
Number of persons still under prosecution	245	14	27

Number of prosecutions instituted against Police (including former members) for offences against Section 23 of the Misuse of Drugs Amendment Act 1978	Nil	Nil	Nil
---	-----	-----	-----

Section 18 (Renewal of Warrants)	2009/10	2008/09	2007/08
Number of applications made	Nil	Nil	Nil
Number of applications granted	Nil	Nil	Nil
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	Nil	Nil	Nil
Number of premises warrants	Nil	Nil	Nil
Number of warrants which authorised entry onto private premises	Nil	Nil	Nil
Section 19 (Emergency Permits)	2009/10	2008/09	2007/08
Number of applications made	1	1	Nil
Number of applications granted	1	1	Nil
Number of applications refused	Nil	Nil	Nil
Number of Interceptions recorded	113	326	Nil

* One physical warrant counted as one warrant, regardless of number of subjects or premises included.

** Duration regarded as actual duration of interception, not duration granted.

In accordance with the provisions of section 312Q of the Crimes Act 1961, the information in Figure 21 is provided.

Figure 21: Interception warrants (under the Crimes Act 1961), 2007/08–2009/10

Section 312B (Interception Warrants)	2009/10	2008/09	2007/08
Number of applications made	2	8	Nil
Number of applications granted	2	8	Nil
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	2	7	Nil
Number of premises warrants	Nil	1	Nil
Number of warrants which authorised entry onto private premises	1	5	Nil
Average duration of warrants including renewals (days)	18	22.3	Nil
Number of persons prosecuted	9	19	Nil
Number of persons convicted	Nil	Nil	Nil
Number of persons still under prosecution	9	19	Nil
Number of prosecutions instituted against Police (including former members) for offences against Section 216C or 312K of the Crimes Act 1961	Nil	Nil	Nil
Section 312CA (Interception Warrants)	2009/10	2008/09	2007/08
Number of application made	11	22	26
Number of applications granted	11	22	26
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	11	18	26
Number of premises warrants	1	4	1
Number of warrants which authorised entry onto private premises	9	9	19
Average duration of warrants including renewals (days)	22	16.78	21
Number of persons prosecuted	16	27	44
Number of persons convicted	2	1	1
Number of persons still under prosecution	14	27	43

Number of prosecutions instituted against Police (including former members) for offences against Section 216C or 312K of the Crimes Act 1961

Nil

Nil

Nil

Section 312F (Renewal of Warrants)	2009/10	2008/09	2007/08
Number of application made	Nil	Nil	Nil
Number of applications granted	Nil	Nil	Nil
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	Nil	Nil	Nil
Number of premises warrants	Nil	Nil	Nil
Section 312G (Emergency Permits)	2009/10	2008/09	2007/08
Number of application made	3	7	3
Number of applications granted	2	7	3
Number of applications refused	1	Nil	Nil
Number of interceptions recorded	1,408	1,338	284
Section 216B (3) (Emergency Permits)	2009/10	2008/09	2007/08
Number of application made	2	1	Nil
Number of applications granted	2	1	Nil
Number of applications refused	Nil	Nil	Nil
Number of interceptions recorded	112	425	Nil

7.2 Call data warrants

In accordance with section 10R of the Telecommunications (Residual Provisions) Act 1987, the information in Figure 22 is provided.

Figure 22: Call data warrants (under the Telecommunications (Residual Provisions) Act 1987), 2007/08–2009/10

Section 10A (Call Data Warrants)	2009/10	2008/09	2007/08
Number of applications made	243	108	172
Number of applications granted	243	108	172
Number of applications refused	Nil	Nil	Nil
Average duration of warrants (days)	23	21.73	22
Section 10K	2009/10	2008/09	2007/08
Number of applications made	Nil	Nil	Nil
Number of applications granted	Nil	Nil	Nil
Number of applications refused	Nil	Nil	Nil
Average duration of warrants (days)	Nil	Nil	Nil

7.3 Road blocks

In 2009/10, one road block was established under section 317B of the Crimes Act 1961.

7.4 Tracking warrants

In accordance with section 200J of the Summary Proceedings Act 1957, the information in Figure 23 is provided.

Figure 23: Tracking warrants (under the Summary Proceedings Act 1957), 2007/08–2009/10

Tracking warrants	2009/10	2008/09	2007/08
Number of warrants issued	12	22	29
Number of warrant renewals	4	5	4
Average duration – in days	51	40	22
Tracking device used without warrant	Nil	Nil	Nil
Warrants issued under section 200I	Nil	Nil	Nil
Number of device authorised to remain	Nil	Nil	Nil

7.5 Bodily samples

In accordance with section 76 of the Criminal Investigations (Bodily Samples) Act 1995, the information in Figure 24 is provided.

Figure 24: Bodily samples (under the Criminal Investigations (Bodily Samples) Act 1995), 2009/10

Bodily Samples 2009/10	
(a) The number of occasions on which a blood sample has been taken with the consent of a person given in response to a databank request	24
(ab) The number of occasions on which a buccal sample has been taken with the consent of a person given in response to a databank request	9205
(b) The number of applications for compulsion orders by type:	
• suspect compulsion orders	66
• juvenile compulsion orders	16
(c) The number of applications referred to in paragraph (b) that were:	60*1
• suspect compulsion orders – granted	0
• suspect compulsion orders – refused	16
• juvenile compulsion orders – granted	0
• juvenile compulsion orders – refused	0
(ca) The number of occasions on which a blood sample has been taken pursuant to a compulsion order	0
(cb) The number of occasions on which a buccal sample has been taken pursuant to a compulsion order	44
(cc) The number of occasions on which a blood sample has been taken pursuant to a databank compulsion notice	4
(cd) The number of occasions on which a buccal sample has been taken pursuant to a databank compulsion notice	2856
(ce) The number of:	
(i) databank compulsion notice hearings requested	(i) 28
(ii) DNA Profile Databank (Part 3) orders made	(ii) 27
(iii) the number of orders made that the databank compulsion notice is of no effect in respect to those hearings	(iii) 0

Bodily Samples 2009/10

(d)	The number of:	
	(i) occasions on which a DNA profile obtained under Obtaining Bodily Samples from Suspects (Part 2) has been used as evidence against a person in trial	
	(ii) persons referred to in subparagraph (i) in respect of whom a conviction has been entered as a result of the trial	Information not captured nationally
(da)	The number of:	
	(i) occasions on which a DNA profile obtained under a DNA Profile Databank (Part 3) procedure has been used in support of an application for a suspect compulsion order under Obtaining Bodily Samples from Suspects (Part 2)	(i) 19
	(ii) suspect compulsion orders granted in respect of those	(ii) 17
(e)	The number of occasions on which any member of police has used or caused to be used force to assist a suitably qualified person to take:	
	• a fingerprick pursuant to a compulsion order	1
	• a fingerprick pursuant to a databank compulsion notice	0
	• a buccal sample pursuant to a compulsion order	0
	• a buccal sample pursuant to a databank compulsion notice	0
(ea)	The number of occasions on which a buccal sample has been taken as a result of a Obtaining Bodily Samples from Suspects (Part 2A) request	1
(f)	The total number of DNA profiles stored on a DNA profile databank at the end of the period under review; and	
	• number of bodily samples obtained by consent	89,902
	• number of bodily samples obtained pursuant to a compulsion order	107
	• number of bodily samples obtained pursuant to a databank compulsion notice	19,434
(g)	The number of occasions on which a DNA profile obtained from evidence at the scene of an offence or in connection with an offence is matched with a DNA profile obtained under Obtaining Bodily Samples from Suspects (Part 2) procedure	195
(h)	The number of occasions on which a DNA profile obtained from evidence at the scene of an offence or in connection with an offence is matched with a DNA profile on the DNA profile databank obtained under a DNA Profile Databank (Part 3) procedure	1753

Notes

From 6 September 2010, Police will have a new DNA management system (BioTrak) that will provide a central point from which to obtain much of the data fields sought in section 76 of the Criminal Investigations (Bodily Samples) Act 1995. Data that is pre-sampling and outside BioTrak will, by necessity, remain with the districts. Districts will be required to develop more robust systems to record this data into the future.

*¹ Fewer Suspect Compulsion Orders were granted than there were applications because some suspects volunteered their DNA sample after the application was made. Therefore, a Suspect Compulsion Order was not subsequently required and those applications were withdrawn.

