



# Annual Report

NEW ZEALAND POLICE **2011** » **2012**





# NEW ZEALAND POLICE 2011/12 **ANNUAL REPORT**

## **New Zealand Police Annual Report**

for the Year Ended 30 June 2012

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

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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 2012

**Peter Marshall, MNZM**

*Commissioner of Police*



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## 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.*



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## OUR VALUES

*Integrity – Professionalism – Respect – Commitment to Māori and Treaty*





# Commissioner's Overview

## Introduction

It is my pleasure to present the New Zealand Police Annual Report for 2011/12.

It was a year in which recorded crime fell 5.2 percent with 21,802 fewer recorded offences than in 2010/11. The total of 394,522 recorded offences was the lowest in around two decades.

The road toll of 287 was also the lowest financial year toll since records began, and 28 deaths fewer than in the previous year.

Policing of the Rugby World Cup was the largest operation of the year and delivered a largely trouble-free tournament.

The year saw the launch of Prevention First, the national operating strategy for 2011–15, and implementation of many Policing Excellence initiatives, which are proving their worth in an operational context and reducing crime and victimisation in our communities.

## Prevention First and Policing Excellence

Police launched the Prevention First strategy in December 2011. The strategy requires staff to bring crime prevention to the forefront of their activities. Prevention First underpins Policing Excellence, a programme of change based on a fuller understanding of why crime and crashes happen.

Collectively, these changes mean more effective policing – with the expected results, from redeploying resources<sup>1</sup>, being a 13 percent reduction in recorded offences and 19 percent reduction in prosecutions of non-traffic offences by 2014/15.

The results so far have exceeded the 19 percent target, and achieved 10.9 percent against the 13 percent target.

The most visible manifestation of Prevention First was the establishment of dedicated Neighbourhood Policing Teams in 32 high-priority neighbourhoods by the end of June 2012. The teams will spend up to five years working with local communities to prevent crime and victimisation.

Nationwide, Police has performed around 240,000 more preventative tasks than in 2010/11 – measures which might be as simple as giving prevention advice to a potential victim, performing a bail check or mounting a high-visibility foot patrol. This was made possible largely by Policing Excellence time savings.

Policing Excellence also includes warnings that officers may use at their discretion to resolve minor offending without charging and prosecuting the offender, saving time for frontline staff and reducing the burden on the courts. Trials of warnings for minor traffic matters have taken place in Auckland and Wellington.

The reorganisation of rosters helps planners deploy the right people in the right place at the right time. If, for example, we were aware that trouble peaked regularly in a particular place at a particular time, we would aim to get more staff there earlier to stop the spike happening. New support units are reducing the administrative load on front-line staff. One District Commander said this was freeing up staff to perform more preventative tasks and helping cut crime. 'People tell us there seems to be more of us – there isn't, we've just organised ourselves better,' he said.

Other Policing Excellence initiatives include the Crime Reporting Line, which allows around-the-clock reporting of non-urgent or historic offending without tying police officers to telephones when they should be in the community. It also means victims of minor crimes do not need to go to a police station to make a report. Another Policing Excellence workstream is trialling the use of mobile technology – laptops, tablets and smartphones. This technology allows officers to perform checks and other tasks on the spot; tasks that previously might have meant a return to base. These tools have been very well received.

<sup>1</sup> Redeployment refers to the redirection of four percent of Vote Police funding from response-related activities towards preventative-related activities.

Alongside Policing Excellence, Police is realigning human resources and finance systems to create a more centralised model. The organisation must live within an unchanged budget while improving services – another powerful driver of efficiency.

## Sector collaboration

The Government's economic goals and drive to improve public sector efficiency have provided focus for discussions both internally and with a range of partner organisations and sectors, such as the justice, social and transport sectors.

Within the justice sector, the Commissioner of Police is a member of a Leadership Board, with the chief executives of the Ministry of Justice and Department of Corrections. The board is responsible for collective governance and accountability of sector performance, reducing crime and reoffending, and increasing the efficiency of process throughout the system without undermining fairness.

In May 2012 the government established the Justice Sector Fund, a funding pool that allows savings to be transferred between justice sector agencies and across years. This provides flexibility for savings to be redirected to the wider justice sector's highest priorities.

Police has been actively involved in joint sector initiatives such as developing the Better Public Services: Reducing Crime and Reoffending result action plan, participating in accessible justice initiatives, the Joining Forces project and shared services projects.

Under the banner of Better Public Services, the government has set the justice sector targets to reduce crime by 15 percent, violent crime by 20 percent, youth crime by five percent and re-offending by 25 percent. These are challenging targets, but ones the sector is well placed to achieve. Police monthly statistical indicators show the recent downward trend in crime continuing.

Police also collaborates widely within the transport sector, most prominently as partners with the Ministry of Transport, New Zealand Transport Agency and Accident Compensation Corporation in Safer Journeys, the government's road safety strategy adopted in 2011. At the heart of this strategy is a safe system approach with a focus on all factors contributing to road safety. This encompasses driver behaviour, speed, vehicle safety and the environment of the roads themselves. As well as participating in Safer Journeys, Police is working with partners and stakeholders, from iwi to the AA to road builders, with wide-ranging interests in improving road safety.

Police collaborates with the social sector in areas such as youth crime, family violence and child abuse. Examples in 2011/12 include the signing of a memorandum of understanding with Child, Youth, and Family services, and district health boards to enhance cooperation and communication in child abuse cases, and a letter of agreement with a range of educational bodies around services provided to New Zealand schools.

## Māori, Pacific and Ethnic Services

The Police value statement declares, 'Our role is to acknowledge and respond to a diverse society and serve with dignity. In doing so, we recognise the rights, values and freedoms of all people'. The Māori, Pacific and Ethnic Services (MPES) section spearheads this work.

Two MPES-led projects – the Māori, Pacific and Ethnic Wardens programme and the Cultural Response Team which helped victims' families from 20 nationalities after the February 2011 Christchurch earthquake – won prestigious awards from the Institute of Public Administration New Zealand in June. Police also received the Race Harmony Award from the President of the Federation of Islamic Associations of NZ.

The commitment to Māori remains strong. At a national level the relationship includes the work of the National Māori Focus Forum, chaired by the Commissioner of Police.

Staff take seriously Sir Robert Peel's principle: 'The police are the public and the public are the police'. The organisation is working to recruit more ethnic minority members, and women, to ensure the workforce reflects New Zealand's demographics.

## Trust and confidence

Police continues to enjoy its highest-ever level of public trust and confidence at 77%. Police also scored 82 out of 100 for satisfaction with service delivery in the annual Citizen Satisfaction Survey.

Police has also seen improvements in the State Services Commission's Kiwis Count Survey, with Police scoring ratings 84% for people who call 111 (up from 73% in the first Kiwi's Count Survey 2007). The overall service quality score for all public services was 72%.

Police has been voted New Zealand's most reputable government department for three years running.

## A day in the life

The organisation remains busy in its day-to-day work, responding to around 1.7 million phone calls for advice or assistance annually, more than 700,000 of which are emergency calls.

On an average day police:

- carry out 156 foot patrols, 964 bail checks and 91 hotel visits
- randomly stop 1,280 vehicles;
- administer 7,848 breath tests
- respond to 1,956 emergency calls
- answer 2,705 non-emergency calls and 684 traffic-related 555 calls;
- record 1,080 offences
- attend 2 fatal crashes every 3 days
- attend 14 sudden deaths

- take 55 drunk people home or into custody
- deal with 29 people with mental illness.

Meanwhile, five priority areas are a particular focus – **youth policing, family violence, drugs and organised crime, road policing and alcohol.**

### Youth policing

In June a new youth policing plan – *Where Prevention Starts* – was introduced. The plan increases consistency in the practical work of preventing offending and victimisation and intervening to prevent the formation of life-long bad habits. It requires officers to identify and target areas of greatest need and calls for working closely with iwi, partner agencies, and communities to help keep young people safe.

### Family violence

Police undertook more than 84,000 family violence investigations in 2011/12. This might appear a disheartening statistic but these are also opportunities to help. Central to this is the gathering of information that helps in the prediction and prevention of reoffending. A new process introduced in 2011/12 directs officers attending family violence incidents to note details of particular relevance to individual cases. Police and partner organisations can then better help people escape the spiral of reoffending and victimisation.

### Drugs and organised crime

Police is keeping the pressure on organised crime and hitting offenders where it hurts – in the wallet. For example, in June, Southern Police moved against a syndicate thought to have made millions of dollars from cultivating and selling cannabis for up to 20 years. And in February, a year-long operation in Waikato targeted what might have been New Zealand's biggest methamphetamine lab, seizing large amounts of the drug, cash and firearms.

Through the Organised and Financial Crime Agency, Police is partnered with other government organisations including the New Zealand Customs Service, Inland Revenue Department, and Department of Internal Affairs in a potent alliance against organised crime.

Under the Criminal Proceeds (Recovery) Act 2009, in 2011/12 Police obtained forfeiture orders over assets worth an estimated \$9.2 million, of which \$8.1 million was linked to drugs. An estimated \$3.5 million of the total was linked to organised criminal groups. Assets worth an estimated \$73.4 million were made subject to restraining orders, pending further enquiries.

### Road policing

The year saw encouraging signs of improved road safety but the road toll still represented 287 tragedies that should have been avoided. Easter brought good news, with the first zero road toll over the holiday period. However, people are still dying on the roads, and though there have been fewer crashes than in previous years in 2012, the death toll has

not fallen proportionately because several crashes have involved multiple fatalities. There is no room for complacency.

The year saw legislative changes such as the introduction of the zero alcohol limit for young drivers. Early indications are positive, though the need remains for Police, partner organisations and all road users to remain vigilant to ensure the gains made are not lost.

### Alcohol

Alcohol remains a major factor in offending, with alcohol-related harm estimated to consume 18 percent of the total Police budget. However, policing is only one part of the necessary response to issues around drinking. Police awaits with interest the result of deliberations over the Alcohol Reform Bill.

Policing licensed premises is based on partnership, on the understanding that businesses have a vital role to play in crime prevention. The aim is to help businesses operate to the standards required by the law, but prosecution is likely for those that cannot or will not act responsibly.

### Rugby World Cup

The biggest single policing operation of 2011/12 was around the Rugby World Cup – a mammoth effort with 133,000 overseas visitors, and players, officials and VIPs from home and abroad attending 48 games in 12 venues. The operation's success was a tribute to three years of meticulous preparation, careful execution with partner organisations, the friendly but professional approach of Police staff, and the behaviour of the fans themselves.

### Under scrutiny and review

Police work in 2011/12 was subject to high-level review as well as the usual media attention. A robust Performance Improvement Framework review saw a team embedded in Police National Headquarters with access to every aspect of the organisation's structure and operations. The team's findings formed an important and welcome development report which noted Police's 'well-articulated vision, strategy and purpose, placing the organisation among the top third of public sector organisations reviewed.

There was a further report from PricewaterhouseCoopers on progress made since the 2007 Commission of Inquiry into Police Conduct. This was also highly positive, noting, 'The record of performance and the culture of Police are something of which New Zealanders can be proud'.

Police welcomes the positive aspects and accepts there is still work to do in areas identified in these reviews, including addressing the representation of women at senior levels and some aspects of employee development. The organisation is addressing these issues with confidence in its ability to meet such challenges.

Further evidence of the transparency and accountability of Police lies in the continuing scrutiny of the Independent Police Conduct Authority. In 2011/12 Judge Sir David Carruthers was appointed to chair the authority and we look forward to working with him.

### **Focus on the front line**

The Police Executive is committed to focusing on the interests and working environment of front-line staff. There is a determination to not lose sight of the fact that national and district headquarters are there to support staff on the front line.

The Executive has paid close attention to practical details of the front-line environment. More than 5,200 officers have received Police-issued boots to improve comfort and safety. A trial has been undertaken of safety devices that alert controllers to an officer's location if they cannot use their radio in an emergency. Front-line vehicles are being fitted with safes for firearms and ballistic armour. Improved firearm and Taser accessibility is part of a coordinated approach to increase Police and public safety, including improved policies, procedures and training. The prime objective of Police's tactical response remains to cordon, contain, and communicate.

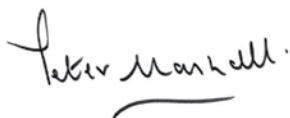
### **Online engagement**

The organisation is increasingly using online communications and social media to engage with the public. In June, for example, a 'Wanted' section was launched on our website, featuring people wanted for arrest or identification. This followed the launch of a stolen vehicles section, where users can check details online against a stolen vehicles database.

Social media such as Facebook and Twitter are vital tools in reaching potential recruits and keeping people up to date. Police is working in partnership to address online offending and limit damage caused by abuse of the internet.

### **Conclusion**

This report reflects a year in the life of an organisation of which New Zealanders can be proud. Police is facing the challenges of the future with confidence that the organisation has the right people and processes in place to build on the achievements of the past year. With the public's support, we will continue working toward our vision of Safer Communities Together.



**Peter Marshall MNZM**  
*Commissioner of Police*



# Strategic Context

## Government goals most relevant to Police

Government goals for 2011/12 of most relevance to Police are:

- building a strong economy, based on real enduring growth, to provide New Zealanders the jobs, improved incomes and improved living standards they desire and deserve
- building better results from public services to improve the lives and wellbeing of New Zealanders to help solve social problems and improve the prospects of the next generation.

Police has contributed towards achieving these government goals by providing a safe environment for New Zealanders through preventing and reducing crime, providing community reassurance, and improving Police operating and financial performance.

## Preventing and reducing crime

Progress has been made in preventing harm caused by gangs, organised crime, drugs and alcohol by:

- targeting high-priority offenders (including violence offenders)
- applying the Criminal Proceeds (Recovery) Act 2009
- improving and increasingly using intelligence tools such as the National Offender Prioritisation Matrix (NOPM), tactical assessments (for example, subject profiles) and new intelligence tools such as the Demand Profile (which provides information about repeat offenders, victims and locations).

Police was involved in implementing the Prime Minister's Methamphetamine Action Plan to prevent the harm from drugs. This has involved coordinated work with the Environmental Protection Authority to develop enhanced controls on the supply, storage and use of certain precursor chemicals. This work will continue into 2012/13.

Police has contributed to the implementation of the Government's Organised Crime Strategy (that seeks to prevent harm caused by organised crime and gangs) by:

- completing a financial targeting model
- working with the Ministry of Justice to:
  - increase information sharing
  - align agencies involved in financial investigations
  - review New Zealand's international mutual legal assistance systems
  - review domestic law and systems
  - extend anti-money laundering and countering financing of terrorism measures to cover non-financial industry sectors.

## Providing community reassurance

Police has been preparing for the Victims of Crime Reform Bill, along with the Ministry of Justice, Department of Corrections, Ministry of Social Development, Department of Labour (now the Ministry of Business, Innovation and Employment), and Crown Law. The Bill will improve service to victims and make changes to the rights and principles that relate to the treatment of victims. A Victim-Focused Framework was piloted to reduce repeat victimisation. The first phase of work has resulted in the appointment of Victim District Managers, and training for Nelson Bay and Western Waikato staff. A national training package is in development and will be fully implemented in 2012/13.

## Improving Police operating and financial performance

Throughout 2011/12, Police has made significant progress implementing the Policing Excellence work programme, introducing the New Zealand Police Strategic Plan 2011 to 2015 and the Prevention First national operating strategy 2011 to 2015.

This work programme not only supports government and sector goals but also the achievement of Police outcomes (that is, confident, safe and secure communities and less actual crime and road trauma, fewer victims).

Policing Excellence results at 1 July 2012, against baseline year results in 2008/09, showed a:

- 10.9 percent reduction in crime (with a target of 13 percent by 30 June 2014)
- 27 percent reduction in non-traffic related apprehensions resolved by prosecution (with a target of 19 percent by 30 June 2014).

In addition, a pilot for written traffic warnings was completed in Auckland and is being considered for wider implementation across the country.

Policing Excellence initiatives have increased preventative tasks and are supported by a new deployment model. Collectively, these initiatives are reducing the number of people entering the justice system by implementing alternative resolutions for low-level offending (for example, pre-charge warnings), providing improved access to non-emergency police services, and reassuring communities through the national implementation of Neighbourhood Policing Teams.

Improvements to Police's operational and financial performance have included implementing mobile technology for front-line staff (for example, 1,000 SMART devices now enable the electronic issue of roadside infringement notices), removing bureaucracy and improving efficiency and effectiveness of front-line interactions with the public and Communications Centres. Police has also pursued opportunities for savings and efficiencies in shared services.

Other operational and financial initiatives include:

- implementing improved case management processes (including training and information and communications technology changes) following on from the successful pilot in Counties Manukau and Auckland City Districts
- exploring options for cost recovery of certain police services
- designing and piloting a new Performance Management Framework, for implementation in 2012/13.

All of these initiatives have contributed to improved Police services that in turn support the achievement of our outcomes, impacts and, ultimately, the Government's goals.

## New government priorities

In March 2012, the Prime Minister announced the Government's programme to create a public sector that is more innovative, efficient and focused on delivering what New Zealanders want and expect in terms of better front-line services. Police are contributing towards this programme by focusing on government priorities:

- managing government's finances responsibly
- building a more productive and competitive economy
- delivering better public services within tight financial constraints
- rebuilding Christchurch.

Police has continued to manage within funding baselines, and has implemented several Policing Excellence initiatives. Benefits are already being realised, and these early results have enabled Police to reinvest staff efforts into prevention activities. Reducing the number of victims and offenders and making New Zealand a safe place in which to live, visit and conduct business will contribute to a more productive and competitive economy.

In November 2011, the report of the Better Public Services Advisory Group identified expectations for increased alignment, information sharing and accountability for results both within and across sectors.

Police will contribute to the achievement of Better Public Service targets (through to 2017) by reducing the:

- crime rate by 15 percent
- violent crime rate by 20 percent
- youth crime rate by 5 percent
- re-offending rate by 25 percent
- number of assaults on children by 5 percent (social sector target).

Over coming years, these targets will be the focus of the new Police Performance Management Framework. Police will play a significant role in implementing the Better Public Services: Reducing Crime and Reoffending result action plan for the justice sector.

Police has made a significant contribution in keeping communities safe in Christchurch, following the September 2010 and February 2011 earthquakes, including working closely with five different councils (especially those with rate payers in the red zones), providing support via the two Neighbourhood Prevention Teams to local communities and providing tailored support to different ethnic groups. In the longer term Police is preparing for the creation of a public safety hub in Christchurch (a shared services arrangement with other emergency agencies).

## Sector

Although Police contributes to a variety of different sector outcomes, its most significant contributions are to the justice, transport and social sectors.

### Justice sector

The primary outcome for the justice sector is a safe and just society, where the rights, interests and obligations of New Zealanders are protected so that individuals and communities can contribute, engage and prosper together.



Police (along with other justice agencies that comprise the justice sector 'pipeline') has contributed in a variety of ways to selected justice sector outcomes. For example, in terms of reducing the impact of crime and reducing crime, Police launched the Prevention First National Strategy and began fostering a change in traditional policing, with a new mindset that puts prevention and the needs of victims at the forefront of policing.

Police has contributed to justice sector key performance indicators in the following two areas in particular.

- *Reduce the number of people entering the justice system* by increasing the use of alternative resolutions such as pre-charge warnings and exploring greater use of alternative intervention opportunities. Crime was also reduced through policing at major events such as the Rugby World Cup, which was assisted with the use of intelligence tools and rostering to reduce demand (at peak times in peak locations). A workforce management tool has been implemented in selected districts and will soon be implemented nationally.
- *Improve court system efficiency* by providing a more streamlined and prioritised case management process. This 10-step case management process is enabling better case workload management, providing a more effective service to victims of crime and providing better quality of files to the Police Prosecution Service. The Criminal Procedure Act 2011 is the enabling legislation for the Electronic Operating Model. Phase 1 of the model is due to go live in July 2013, and will improve the efficiency of the court process. Stage 1 of the Criminal Procedure Act was implemented during the year, and stage 2 involves the implementation of the remaining provisions of the legislation: training and development, process design and policy work.

Key performance indicators for the justice sector are in development. Reporting progress against these indicators will be included in wider justice sector quarterly reports.

In relation to reducing the impact of crime on children, a health check on Independent Police Conduct Authority review recommendations relating to child abuse indicated significant improvements have been made in the management of child protection investigations since the authority's report in May 2010, notably the high visibility of child protection at the district management level. Child abuse referrals have been received and assessed in accordance with Child Protection Protocols and efforts continue to ensure child abuse cases are assigned and managed appropriately using case management functionality. However, further work will continue on embedding recommendations and improving processes.

Access to Police services has been improved through the roll-out of the Crime Reporting Line to Canterbury and Eastern Districts.

In the spirit of the report's recommendations, in early 2012, the Justice Sector Leadership Board was established, comprising the Secretary for Justice, Commissioner of Police and Chief Executive of the Department of Corrections. The board is responsible for collectively managing the costs and volumes of the justice sector pipeline.

### Transport sector

Police continues to play an important role in the transport sector by delivering road safety services by implementing:

- Safer Journeys, New Zealand's Road Safety Strategy 2010–2020
- Road Policing Investment Programme 2011/12
- Road Policing Strategy 2011–2015.

Sector collaboration continues to be enhanced with the development of the Centre of Road Safety Intelligence, which originated from the Safer Journey's Action Plan 2011/12. The centre brings together intelligence staff from Police, Accident Compensation Corporation, Ministry of Transport and New Zealand Transport Agency to develop agency-specific work streams and interventions.

Police has continued to engage with local communities to identify local road safety issues, risks and solutions to inform Road Safety Action Plans. A standardised Road Safety Assessment has been developed to form the basis of discussions about action plans that identify how local road safety risks will be addressed, by whom and within what timeframes.

Other road safety achievements include developing a national policy for red light cameras and identifying high-risk sites for fixed cameras, implementing a lower speed tolerance over high-risk holiday periods and an increased focus on high-risk drivers.

Police expanded the use of evidential breath devices at rural stations. This increased targeting, and enforcement, of alcohol and drug impairment is expected to reduce the number of road crashes.

### Social sector

Police has contributed towards the development of a White Paper for Vulnerable Children (led by the Ministry of Social Development), which is due for release in October 2012, identifying actions government will take alongside families and communities to improve the lives of vulnerable children.

Police has also been working with the social sector to develop a Results Action Plan (part of Better Public Services) to support vulnerable children with a focus on reducing the number of assaults on children. New targets aim to halt the 10-year rise in children experiencing physical abuse and reduce current numbers by 5 percent by 2017.

Police will work towards reducing the number of assaults on children over the next three to five years. Police will be well placed to prevent child and sexual abuse with the recent establishment of the new National Sexual Violence and Child Protection Team to work with districts and across agencies. In addition, Police will contribute towards the development of the Youth Crime Action Plan with other social sector agencies.

A review of family violence processes has resulted in more streamlined processes and efficiencies for front-line staff with potential positive flow-on effects for other agencies.

Police is one of several agencies contributing to the joint venture project by government and non-government organisations, *Trialling New Approaches to Social Sector Change*, which seeks to improve outcomes for young people. This change is being supported by Police via TOAH NNEST (Te Ohaakii a Hine – National Network for Ending Sexual Violence). TOAH NNEST is a network of about 80 agencies that provide support, counselling and assistance to victims of adult sexual assault. Police's contribution to the Trialling New Approaches project involves providing staff resources at six trial sites and being involved in local and national governance arrangements. This support will continue in 2012/13.





# Outcomes and Key Achievements

## Policing Excellence work streams

Policing Excellence is enabling Police to shift more resources into preventative policing activities, to reduce victimisation and offending, and to better ensure citizen safety. Through eight key initiatives, this programme will also enable the Commissioner of Police to better manage future demands on Police, and will benefit the wider justice sector.

Policing Excellence will drive a four percent shift of resource<sup>2</sup> into preventative activities by 2014/15 (as outlined in Police's prevention output), and will deliver:

- a 13 percent (59,000) decrease in recorded crime
- a 19 percent (31,000) decrease in Police (non-traffic) apprehensions resolved by prosecution.

These benefits will have positive flow-on impacts to the court system and the wider justice sector. Table 1 shows that since the commencement of Policing Excellence, recorded crime is down by close to 11 percent and prosecutions by more than 27 percent.

**Table 1: Progress on top line indicators, 2008/09–2011/12**

Indicator	2008/09	2009/10	2010/11	2011/12
Recorded crime	442,540	441,960	416,324	394,522
Percentage (%)		-0.1	-5.9	-10.9
Recorded prosecutions	167,298	158,693	136,026	121,578
Percentage (%)		-5.1	-18.7	-27.3

<sup>2</sup> This shift will be achieved by redirecting four percent of Vote Police funding from response-related activities towards preventative-related activities.

Table 2: Policing Excellence progress by work streams, 2011/12

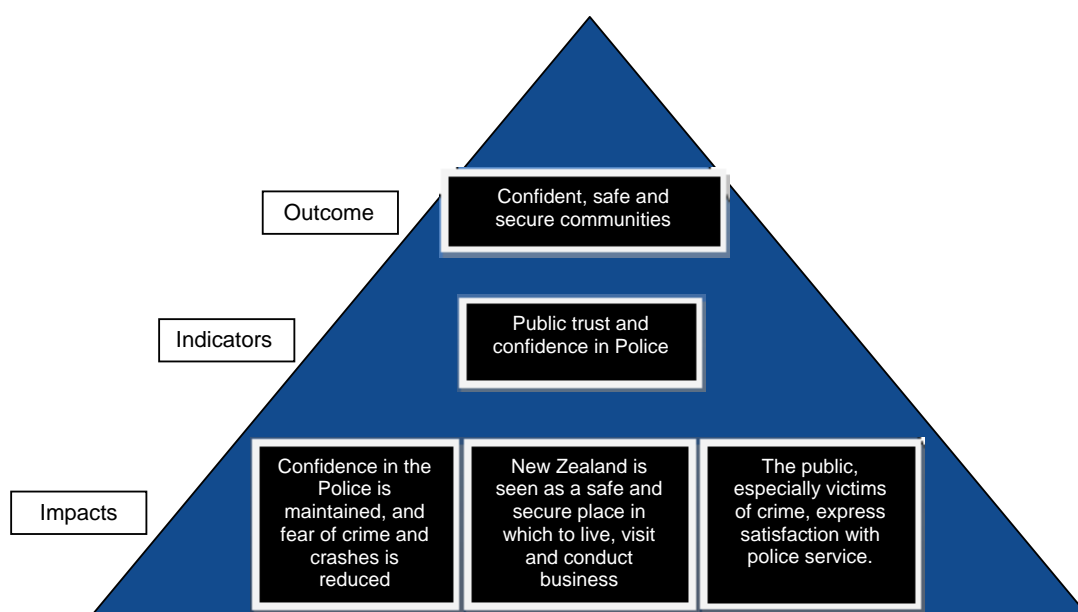
Policing Excellence work streams	Progress for 2011/12
<b>The Police Model:</b> consists of five initiatives: Prevention First, Deployment, Victim Focus, Productivity and Performance Management.	
<p><b>Prevention First:</b> taking a national approach to promoting crime and crash prevention as the main way to reduce offending and victimisation.</p> <p>Expected results by 2014/15:</p> <ul style="list-style-type: none"> <li>the prevention of 52,600 recorded crimes</li> <li>Police (non-traffic) apprehensions resolved by prosecution by 13,000 per year</li> <li>Prevention First will be assisted by the introduction of 32 Neighbourhood Policing Teams, the development of the Victim Focus Framework and an increased focus on prevention by all staff.</li> </ul>	<p>Progress towards implementing the Police Model includes:</p> <ul style="list-style-type: none"> <li>pre-charge warnings reduced the flow of new charges for low-level offences to the District Court by 21,881</li> <li>32 Neighbourhood Policing Teams were established by 30 June 2012 and are operational in priority neighbourhoods across the country</li> <li>the introduction of the Prevention First Strategy</li> <li>10 of the Prevention First Strategy's 48 action points were completed by 30 June 2012.</li> </ul>
<p><b>Deployment:</b> ensuring police are in the right place at the right time to prevent crime occurring.</p> <p>Expected result by 2012/13:</p> <ul style="list-style-type: none"> <li>5,900 fewer charges laid per year.</li> </ul>	<p>The Rostering to Reduce Demand work stream transferred from Canterbury District to Wellington District, and integrated with the Police Model work stream for greater alignment.</p> <p>Workforce management pilots were successfully delivered in Upper North (area) and Wellington (district) to review effectiveness of different deployment options. More than 4,000 staff are now being managed centrally.</p> <p>Planning began to implement centralised workforce management in each district by 31 December 2012.</p> <p>The Demand Profile was established and implemented in each district, providing District Commanders with a more complete picture of repeat victims, offenders and locations.</p>
<p><b>Victim Focus:</b> making an excellent response to victims' part of everyday operational practice.</p>	<p>A new Victim Focus Framework has been developed to improve the level of Police service to all victims of crime.</p> <p>The framework is being trialled in Waikato and Tasman Districts.</p> <p>The trial will be followed by a review before all staff receive training on the new framework.</p>
<p><b>Productivity:</b> finding more efficient and effective ways of doing our work to save time that staff can then reinvest into crime prevention.</p>	<p>The development of a Centre for Continuous Improvement is progressing.</p> <p>A roadmap for continuous improvement is underway.</p>
<p><b>Performance Management:</b> assisting districts and areas to identify opportunities for improvement with an emphasis on prevention and victims.</p>	<p>A national framework has been developed and, has been successfully trialled in Eastern and Central Districts and is now being readied for a national roll-out considered.</p>
<b>Crime Reporting Line:</b> providing an accessible and efficient channel for the public to report historical and non-emergency crime.	
<p>Expected results by 2014/15:</p> <ul style="list-style-type: none"> <li>improved productivity of front-line staff</li> <li>improved service standards</li> <li>improved victim access to police with the removal of the need to report to a police station during office hours.</li> </ul>	<p>The Crime Reporting Line was expanded into Canterbury and Eastern Districts during the year, freeing up staff in those districts from attending historic crime events. Positive feedback has been received from staff following the extension of the line into the two districts.</p> <p>Planning is under way for the national roll-out of Crime Reporting Line to the remaining seven districts in 2012/13.</p>

Policing Excellence work streams	Progress for 2011/12
<p><b>Mobility:</b> using new mobile technology to enable staff to spend more time on the streets.</p> <p>Expected results by 2014/15:</p> <ul style="list-style-type: none"> <li>increased productivity of front-line staff through use of technology that reduces paperwork and the need for staff to return to police stations</li> <li>staff time freed-up for redeployment in preventative activities.</li> </ul>	<p>Mobility trial involving 106 officers began in four separate areas: Lower Hutt, Hawke's Bay, Counties Manukau West and West Coast.</p> <p>Trial participants were issued with smartphones, laptops and tablets during the latter part of this year.</p> <p>Applications were deployed to devices enabling officers to query people and vehicles, view events, self-assign and result events, view maps and communicate with the Communications Centres and their colleagues using mobile devices.</p> <p>Early indications from the trial participants are that the devices save time and increase productivity.</p> <p>Performance improvements are being monitored and planning has commenced for the possible national roll-out of new mobile technology in 2013.</p>
<p><b>Case Management:</b> a new system for efficiently managing caseload workflow.</p> <p>Expected results by 2014/15:</p> <ul style="list-style-type: none"> <li>improved outcomes for victims through the speeding up of processes and improved communication</li> <li>improved overall efficiency of reactive processes.</li> </ul>	<p>Training in the use of case management functionality was held across all districts, and by 30 June, 91% of relevant staff had been trained.</p> <p>As at 30 June, File Management Centres had been established in Northland, Waitematā, Auckland City, Counties Manukau, Eastern and Canterbury Districts.</p> <p>Significant work is under way to implement File Management Centres in the remaining districts.</p> <p>Work is due to commence to establish Criminal Justice Support Units and Investigation Support Units in each district.</p>
<p><b>Alternative Resolutions:</b> the formalised use of discretion and warnings to resolve low-level offending.</p> <p>Expected results by 2014/15:</p> <ul style="list-style-type: none"> <li>fewer police (non-traffic) apprehensions resolved by prosecution by 15,000 per year by 2012/13</li> <li>less recidivism – this will be quantified 12 months after implementation.</li> </ul>	<p>Pre-charge warnings: 21,881 pre-charge warnings were issued during the year, a resolution rate of 12%.</p> <p>During the year, all districts reached or exceeded the original upper target set for the initiative of 9%.</p> <p>A second-stage pilot of written traffic warnings across the three Auckland districts is continuing.</p> <p>A community justice panel initiative (where offenders are held accountable for their offending by a panel of vetted and trained community representatives) is being piloted in Christchurch.</p>
<p><b>Cost Recovery:</b> considering the possible introduction of charges for certain Police services (that are currently provided free of charge) on a cost recovery basis.</p> <p>Expected result by 2014/15:</p> <ul style="list-style-type: none"> <li>cost recovery provides an opportunity to focus frontline services towards preventing crime (a more efficient use of resource).</li> </ul>	<p>Significant work was undertaken during the year on a proposal to recover costs for certain services that are 'over-and-above' normal policing functions. The proposal was reviewed by Cabinet and referred back for further refinement.</p> <p>Police now has a much clearer understanding of the potential cost recovery options.</p> <p>The next steps for cost recovery will be considered in 2012/13.</p>
<p><b>Policing Act Opportunities:</b> looking at how Police uses its entire complement of staff, including Authorised Officers, when providing services to the public.</p> <p>Expected result by 2014/15:</p> <ul style="list-style-type: none"> <li>review of how Police uses its entire complement of staff, including Authorised Officers, when providing a service to the public.</li> </ul>	<p>Continuing to look for opportunities for Authorised Officers and roles that require only limited powers.</p>

Policing Excellence work streams	Progress for 2011/12
<b>Support Services to the Front Line:</b> looking at how support services are provided across Police	
Expected result by 2014/15:	This work stream has looked at processes, including human resources and finance, across the country to provide consistency of service and efficiencies.
<ul style="list-style-type: none"> <li>work undertaken on how support services are provided across Police.</li> </ul>	A plan of activity is being developed and implemented.

## Outcome One: Confident, safe, and secure communities

This section reports on Outcome One.



**Figure 1: Impacts and indicators for Outcome One**

This section also reports on the activities that contributed to achieving the desired outcome during the year.

Police continued to contribute to confident, safe and secure communities through the delivery, and realisation of benefits, of Policing Excellence. During the year, Police worked with individuals and families to achieve an environment where they feel safe and move safely around the road network, know that their property and business are well secured, and know the rule of the law is applied to each New Zealander impartially.

### Outcome indicator: trust and confidence in Police

The Citizens' Satisfaction Survey asked all respondents about their levels of trust and confidence in Police. This year trust and confidence in Police continued to remain high with 77 percent of the 9,706 respondents reporting full or quite a lot of trust and confidence in Police. Table 3 shows the result of the survey for the last three years.

**Table 3: Public trust and confidence in Police, 2009/10–2011/12**

Indicator	2009/10 (%)	2010/11 (%)	2011/12 (%)
Full/quite a lot of trust and confidence in Police	75	77	77

### New Zealanders' level of confidence in organisations

In January 2012, UMR Research released its annual mood of the nation review (a review it has been doing annually since 2001).<sup>3</sup> With respect to Police, UMR found:

- for the first time in a decade, Police took over from general medical practitioners as the institution in which New Zealanders have the greatest confidence with 72 percent of respondents reporting confidence in Police (up 5 percent on the 2010 survey)
- 78 percent of respondents rated Police's performance positively.

### Hay Group – New Zealand Management Survey

For the third consecutive year, Police has been voted New Zealand's top government department in the Hay Group New Zealand Management Survey. It was a first equal position shared with the Department of Conservation. In its September issue, *New Zealand Management* declares, 'NZ Police reigns supreme as the number one government department three years in a row'. Organisations were rated against a criteria including: corporate social responsibility; financial performance; implementation of strategic objectives; innovation; senior leadership; and vision for the future.

### Impacts

The three key impacts identified for Outcome One in the Police Statement of Intent 2011/12–2013/14 are:

- confidence in the Police is maintained, and fear of crime and crashes is reduced
- New Zealand is seen as a safe and secure place in which to live, visit and conduct business
- the public, especially victims of crime, express satisfaction with police services.

Key contributions for each impact under Outcome One are discussed below.

### Impact One: Confidence in the Police is maintained and fear of crime and crashes is reduced

During the year, Police consolidated its record-high levels of public confidence by providing services with professionalism and integrity, treating people with respect, working with local communities (including iwi), targeting areas and issues that matter most to those communities, increasingly applying problem-solving approach to policing, and being visible within communities.

The following activities contributed to this impact.

#### Advancing the Police Model to allow more neighbourhood policing

As noted earlier, the Police Model is made up of five initiatives. Of particular note are the following four initiatives.

- **Prevention First** – a national strategy that puts crime prevention at the forefront of everything Police does to reduce crime and crashes and gain greater control of the criminal environment. As part of the strategy, the Neighbourhood Policing Teams are being set up around the country in priority locations where they can be easily accessed by the public, and be focused on long-term prevention.
- **Deployment** – the new deployment model features a centralised rostering system that will increase the number of staff available for deployment at key times. The new system will ensure supervisors can take a more active and operational role in daily rostering.
- **Victim Focus** – is a new approach to the way we work with all victims with a particular emphasis on repeat victimisation. By better supporting the most vulnerable victims, Police can significantly reduce the likelihood of their being victimised again, and therefore reduce crime.
- **Neighbourhood Policing Teams** – Police established 32 Neighbourhood Policing Teams across the country. These teams are now working to agreed Prevention Plans that outline how they will respond to the drivers of crime. With the exception of Tasman District, each district has at least two Neighbourhood Policing Teams. Positive feedback has been received from members of these communities saying they feel safer since the establishment of the Neighbourhood Policing Teams.

<sup>3</sup> UMR Research. 2012. *Annual Review: Mood of the Nation*, Issue 9. Wellington: UMR Research. [www.umar.co.nz/Reports.php#](http://www.umar.co.nz/Reports.php#)

### Stories from the community

*In Christchurch, a neighbourhood policing initiative has foiled a late-night burglary. Members of the Riccarton West neighbourhood policing team were patrolling their area about 10:30 pm on Friday when they were called to an incident. The occupants were home when a laptop was allegedly stolen from an unlocked sleep-out on the property. A person was arrested nearby riding a bicycle which was stolen and the person was found to be carrying a knife and scissors when arrested. The stolen property including two laptops was found stashed in a park nearby was returned to the owners. The person was remanded in custody and charged.*

'Neighbour policing pays off', The Press, Christchurch, 3 April 2012.

*Since July 2011, total crime has dropped by 16 percent in the Wairarapa region which equates to 530 fewer victims of crime. Crimes against people are down by 14 percent, crimes against property down by 16 percent, and public place assaults have dropped by 20 percent. This is direct result of doubling of preventative measures in the area including pub visits and bail checks. A roster change to allow extra officers to patrol on Thursday, Friday and Saturday nights was also helping the community.*

'Preventative policing hailed for drop in crime', Dominion Post, Wellington, 29 March 2012.

### Enhancing front-line operations

Police routinely work in an operating environment that is dynamic, unpredictable and, at times, dangerous. Therefore, it is essential that staff consider all available information pertaining to events to make sound and safe response decisions. Serious injuries and fatalities among police and the public, together with a steady increase in the numbers of assaults and serious assaults against police, has encouraged a review of Police risk and threat management processes. This review activity has subsequently given rise to the TENR model. Through this model, staff are encouraged to carefully assess the **T**hreat, **E**xposure, and **N**ecessity to act in particular situations, and thereafter, their **R**esponse to the situation.

TENR was introduced to the front-line staff on 1 July 2012. This release was in conjunction with the introduction of the Police Integrated Tactical Training model, a package that utilises simulated and experiential scenarios, based on real operational incidents and lessons learnt, to emphasise and assess TENR decision-making.

### Improving support services to the front line

During 2011/12, work was initiated to identify options for improving the consistency and efficiency of support services. Review of services under the control of Police National Headquarters (including human resources and finance) and other frontline support services such as telephony, file management, prosecution support and investigation support was completed. Changes as a result of the review, including the centralisation of some services, will be implemented in 2012/13.

### Implementing and embedding changes flowing from the Commission of Inquiry

Police continues to implement and embed solutions developed to address the Commission of Inquiry's recommendations.

Most solutions have now been implemented. Progress has also been made in embedding the solutions.<sup>4</sup>

Police continue to provide quarterly progress reports to Ministers. An abstract of the latest progress report, together with the full status table update on each recommendation is available from the Police website [www.police.govt.nz/about/commission-inquiry.html](http://www.police.govt.nz/about/commission-inquiry.html).

During the reporting period, significant progress was made in:

- ensuring the public can access information on the complaints process and their rights if they make a complaint, including updating the 'About Us' section of the Police website ([www.police.govt.nz](http://www.police.govt.nz)) to include a direct link to 'How to make a complaint about Police' and including information about 'What to expect from Police when a complaint is made' (Recommendation 6)
- developing a quality assurance improvement framework to monitor active adult sexual assault investigations (R9)
- finalising the Lakes District Health Board's contract for sexual abuse assessment and treatment services (R19)
- developing an early intervention system to identify employees whose conduct or performance may fall below the standard expected, and enable appropriate intervention to prevent more serious situations developing, which is expected (following technical upgrades) to start in late 2012 (R47 and R48)
- launching a targeted recruitment campaign aimed at attracting more female, Indian and Pacific applicants (R50)
- improving the overall health of the organisation (R51)
- establishing, with the State Services Commission, targets, baselines and milestones against which cultural change can be measured in the key areas of:
  - leadership and change

<sup>4</sup> The changes include legislative amendments and ongoing policy changes to ensure the currency of investigative and service delivery practices.

- human resource strategy and capability to support integrated change
- performance management
- lifting trust and confidence in complaint investigations (R37 and R59).

#### State Services Commission review

The State Services Commission's fourth review of police progress in implementing Commission of Inquiry activities associated with recommendations 37 and 59 (released in May 2012) found an impartial, corruption free, independent and high-performing police service in which New Zealanders can be proud.<sup>5</sup>

#### Assessing Impact One: Safety, and responsive to community needs

The public's feeling of safety during the day remained the same as last year. However, public perceptions of safety in the neighbourhood and city or town after dark increased this year. More people agreed that police are involved in community activities.

**Table 4: Perceptions of safety and police responsiveness in the community, 2009/10–2011/12**

Impact measures	2009/10 (%)	2010/11 (%)	2011/12 (%)
Feel safe/very safe in neighbourhood during day	92	93	93
Feel safe/very safe in neighbourhood after dark	70	72	73
Feel safe/very safe in city/town centre after dark	48	53	54
Agree/strongly agree police are responsive to the needs of my community	75	78	78
Agree/strongly agree police are involved in activities in my community	67	68	69

#### Impact Two: New Zealand is seen as a safe and secure place in which to live, visit and conduct business

During the year, Police worked with partner agencies to retain a corruption-free public service, encouraging business investment and opportunities for New Zealanders. Police continued to work with international partners and domestic agencies to reduce fraud and economic crime, disrupt organised crime, mitigate threats of terrorism, and ensure the safety of visitors and dignitaries at major events and the wider public.

The following activities contributed to this impact.

#### Advancing the Police Model – Prevention First operating strategy

The Commissioner launched the Prevention First strategy on 20 December 2011. This strategy puts prevention at the forefront of everything Police does to reduce crime and crashes, gain greater control of the criminal environment, and make New Zealand a safer place in which to live, visit and do business. The strategy focuses on targeted policing to reduce offending and victimisation.

#### Rostering to reduce demand

The Demand Profile was established and implemented during the year, providing District Commanders in each district with a more complete picture of repeat victims, offenders and locations. A key aim of this work stream is to ensure Police are in the right place at the right time to prevent crime and crashes happening. About 4,000 staff are now under centralised workforce management, resulting in improvements in, among other things, the management of Time Off In Lieu (TOIL), leave, and the coordination of training.

#### Preventing financial crime through proactive initiatives

A total of 3,093 suspicious transaction reports were processed during 2011/12, leading to the production of 235 intelligence reports that were disseminated to districts and partner law enforcement agencies for investigation.

The National Risk Assessment has built a strong foundation for mitigating and managing money laundering and terrorist financing risks in New Zealand and has been nationally and internationally recognised as of exceptional quality. Several European jurisdictions are using the National Risk Assessment as a baseline for their own assessments.

As a result of the Proactive Financial Offender Targeting Process, the Financial Intelligence Unit has produced 125 intelligence reports, most of which have been disseminated to districts. As part of the all-of-government approach to tackling crime, some reports have also been disseminated to stakeholders such as the New Zealand Customs Service, Inland Revenue Department and Serious Fraud Office.

<sup>5</sup> PriceWaterhouseCoopers. 2012. *Commission of Inquiry into Police Conduct: Change management programme progress report. Fourth phase of review, 2011/12*. Wellington: State Services Commission. [www.police.govt.nz/sites/default/files/resources/ssc-coi-report-into-police-conduct-2011-12.pdf](http://www.police.govt.nz/sites/default/files/resources/ssc-coi-report-into-police-conduct-2011-12.pdf)



The annual New Zealand Police Anti-Money Laundering and Countering the Financing of Terrorism seminar brought together law enforcement agencies, financial institutions and representatives from the private sector to share experiences and best practice.

### Participating in capacity-building initiatives in the region

During 2011/12, Police responded to an increase in demand for assistance from overseas; an indication of the good reputation Police has earned from the programmes it has delivered and positive outcomes it has achieved. Police was involved in the following capacity-building initiatives during the year.

- Development and capacity-building activities in the Pacific and the implementation of the Partnerships for Pacific Policing (3P) programme, covering seven countries. This programme aims to increase the capability and professionalism of Police services in Kiribati, Niue, Samoa, Tokelau, Tuvalu, Vanuatu and the Cook Islands.
- Capacity-building activities have continued in the Solomon Islands (Regional Assistance Mission to the Solomon Islands or RAMSI), Bougainville (Community Policing Programme), Tonga (Tonga Police Development Programme), Indonesia, Philippines, Vietnam and Timor-Leste.
- Peace support and capacity-development operations through bilateral and regional initiatives have continued in Bamyan Province, Afghanistan, under the European Police mission and in Timor-Leste under the United Nations Mission in Timor. A feature of both missions in 2011/12 was the focus on transition. In the case of the United Nations Mission, the withdrawal of New Zealand Police is being planned for late 2012. A four-year bilateral community policing programme started this year to build community policing capability in the Timor-Leste National Police Service.
- Disaster and emergency response and security liaison – Police provided support to the annual Gallipoli commemorations and continued to contribute to wider government planning for the 100th commemoration in 2015. The selection of staff and planning for deployment to the London Olympic Games was also a feature this year as Police continued to provide advice and support to major events offshore that involved New Zealand interests.
- The New Zealand Police Liaison Officer network continued to focus on supporting New Zealand's interests, building on information sharing and security cooperation, and facilitating capacity development activities in support of New Zealand's foreign policy objectives. Liaison officers are posted to Apia (Pacific and South West Pacific), Canberra, Sydney, Jakarta, Bangkok, Beijing, London and Washington DC.

### Assessing Impact Two: Economic crime and visitor experience

#### *Results of the 2011 Global Economic Crime Survey for New Zealand*

The sixth global economic crime survey was conducted between July and November 2011.<sup>6</sup> The survey showed that economic crime continues to be a persistent fact of business life in New Zealand. Of the New Zealand respondents, almost 50 percent said they had experienced some form of economic crime in the last 12 months. It is a significant increase from the 2009 survey finding of 42 percent, and is significantly higher than the global average of 34 percent.

Asset misappropriation was the most prevalent form of economic crime suffered in New Zealand in 2011 (74 percent). However, the survey results were consistent with New Zealand's position as one of the least corrupt countries in the world. For those New Zealand respondents who had experienced economic crime, the top economic crimes reported in 2011 are summarised in Table 5.

**Table 5: Top economic crime in 2011 compared with 2009 results**

Indicator	2009 (%)	2011 (%)
Asset misappropriation	86	74
Accounting fraud	36	30
Bribery and corruption	3	7
Cybercrime	N/A	24
Intellectual property infringement	17	13

Source: PricewaterhouseCoopers. 2009. *The 2009 Global Economic Crime Survey Results for New Zealand*, Wellington: PricewaterhouseCoopers; PricewaterhouseCoopers. 2011. *The 2011 Global Economic Crime Survey Results for New Zealand*, Wellington: PricewaterhouseCoopers. [www.pwc.com/crimesurvey](http://www.pwc.com/crimesurvey)

#### *Tourism New Zealand's Visitor Experience Monitor 2011/12*

Tourism New Zealand conducts the Visitor Experience Monitor survey each year. In 2011/12, 4,566 international tourists who primarily came to New Zealand for a holiday or to visit friends and relatives were surveyed. This year's sample comprised 59 percent holiday tourists, 31 percent tourists visiting friends and relatives, and 10 percent business, conference or education tourists who also had a holiday component in their trip to New Zealand. The survey is weighted to be representative of international arrivals by market, age and gender.

6 PricewaterhouseCoopers. 2011. *The 2011 Global Economic Crime Survey Results for New Zealand*, Wellington: PricewaterhouseCoopers. [www.pwc.com/crimesurvey](http://www.pwc.com/crimesurvey)



Overall satisfaction with safety in New Zealand was relatively stable with a small increase of 0.1 out of 10 from 2010/11 to 2011/12 (see Table 6).

**Table 6: Results from the Visitor Experience Monitor, 2009/10–2011/12**

Indicators	2009/10 (out of 10)	2010/11 (out of 10)	2011/12 (out of 10)
Overall satisfaction with safety in New Zealand	8.8	8.7	8.8
Satisfaction with personal safety in urban areas	8.6	8.5	8.6
Satisfaction with personal safety in country areas	8.9	8.8	8.8
Satisfaction with road safety	8.1	8.1	8.2

Source: Tourism New Zealand. <http://www.tourismnewzealand.com/markets-and-stats/research/visitor-experience-monitor-201011>

### Impact Three: The public, especially victims of crime, express satisfaction with police services

During the year, Police continued to provide high-quality service to victims through its partnerships with other agencies. The following activities contributed to this impact.

#### Providing efficient access to non-emergency police services and reporting historic crime

The Crime Reporting Line allows the public to make non-emergency crime reports over the phone to a centralised call centre. Efficiencies are gained through centralised processing. The Crime Reporting Line was expanded into Canterbury and Eastern Districts during the year, freeing up staff in those districts. Positive feedback has been received following the expansion. A decision has been made to expand the line early next year into the remaining seven districts: Waitematā, Waikato, Central, Wellington, Northland, Tasman and Southern. Planning and preparation for the national expansion is under way.

#### Police contributions for protection of victim's rights, fewer new victims and less repeat victimisation

Police contributed to the comprehensive work programme led by the Ministry of Justice to improve the status of victims of crime. This work included:

- Developing the Victims of Crime Reform Bill and the associated Victims Code. The Bill is awaiting its third reading.

- Establishing File Management Centres in six police districts. This will enable victims to make enquires through one port of call offering better service experience.
- Adopting a national integrated quality assurance and improvement framework for child protection investigations. A key focus of this framework is to improve service delivery to child victims and their families.
- Continuing to work in close partnership with Victim Support to enable a compassionate and responsive service to victims of crime.
- Introducing Family Safety Teams to develop new capability to focus on families at extreme risk of family violence. The aim is for the Family Safety Team member to engage the victims and transition them into support services. Monitoring is done to ensure the intervention remains in place and is effective.

In June 2012, a new national police capability was developed with 36 Family Liaison Officers trained and accredited to provide a comprehensive and professional family liaison approach to major disasters. Experience from the Pike River mine tragedy and Canterbury earthquakes reinforced the need for suitable and trained staff for dealing with bereaved families.

*The following comment (in May 2012) is from a mother whose son was murdered. Police and Victim Support worked with the family to prepare for the trial.*

*'I wish to make special mention of [detective] and [support worker] from Victim Support as these two individuals have been both caring and understanding in our time of need and enabled me to be able to transition through this whole process ... I would also like to say that their attitudes have enabled them to establish an excellent rapport with my family'.*

#### Improved management of criminal and traffic cases

The case management framework was implemented nationwide between September 2011 and February 2012. The framework provides standardised processes and case tracking procedures to:

- ensure police managers have a clear view of the investigation progress across the lifetime of a case
- provide readily accessible information so supervisors and managers can identify and address potential workflow problems early
- enable supervisors to maintain a constant overview of the workload and performance of their staff
- set standardised and objective measures to allow case categorisation, solvability and setting of investigation priorities that is nationally consistent, and permit workload and productivity comparisons across districts, areas and work groups

- assign full accountability for cases at every stage to an identifiable individual, which significantly reduces the possibility of cases being overlooked or 'lost in the system'.

New work groups, specifically designed to deal efficiently with key aspects of cases, were implemented across all districts to improve the consistency and quality of workload management through:

- File Management Centres coordinate the initial assessment, assignment for investigation, victim notification and early case closure.
- Investigation Support Units improve the efficiency and timeliness of the initial investigation phase, and ensure basic lines of enquiry are completed as early as possible.
- Criminal Justice Support Units provide specialist support for staff preparing cases that proceed to prosecution.

New processes have been implemented to record and track case oversight by supervisors to ensure all cases held by staff are subject to appropriate and regular reviews of progress and quality.

The additional data generated by the case management processes have been utilised to provide a comprehensive series of reporting tools. These tools allow for easy analysis of workflow from a national perspective through to individual work groups and staff members.

### **Mobility – improved ability of technology to front-line police**

During the year, a mobility trial began in four areas: Lower Hutt, Hawke's Bay, Counties Manukau West and West Coast. The trial aimed to let officers work more efficiently and spend more time on the beat. In the trial, 106 staff used new mobile technology in the course of their daily work. The trial has three phases.

- Phase 1 – roll out smart-phones.
- Phase 2 – deploy eQuip to each device so officers can remotely query people and vehicles via NIA. This phase has been completed.
- Phase 3 – issue each participant in the trial with a tablet or a laptop. This phase is under way. Staff will use the devices for several functions. Applications for police functionality will be implemented progressively. Early indications from the trial are positive, but a thorough analysis of costs and benefits will be considered before full-scale deployment is decided.

The victim module in NIA will be enhanced to record and track information about all victims, including high-risk victims. This module will be accessible to all officers using mobile technology.

### **Service Excellence – making every contact count**

During 2011/12, the delivery of Leading Service Excellence workshops was completed. The workshops focused on building leadership capability to promote a service culture and supported the introduction of service delivery standards. The last three districts (Eastern, Central and Canterbury) introduced the standards for the delivery of services at their public counters. All stations are now using the standards. A Commitment of Service has been completed and will be introduced early in 2012/13. A facility for people to provide feedback through the Police website about their service experience was also introduced during the year.

### **2012 Public Sector Excellence Awards**

#### *Award for Excellence in Ethnic Diversity*

Police received the Award for Excellence in Ethnic Diversity from the Institute of Public Administration New Zealand (IPANZ). After the devastating Canterbury earthquake in February 2011, Police recognised that the diverse backgrounds of victims and the number of foreign nationals among them meant cultural and linguistic assistance needed to be provided to their families. The Cultural Response Team was established at Police National Headquarters. This is the first time in New Zealand that this type of team has been used in a national disaster. Team members come from a wide variety of ethnicities, so are able to deal in a culturally appropriate manner with more than 400 families from 20 different nationalities. The commitment of these police staff has rightly been described as 'our Public Service at its very best'.

Police was also awarded the IPANZ Award for working together for better services during the Canterbury earthquake.

#### *Award for Crown–Māori Relationships*

Police received an IPANZ Award for its Crown–Māori Relationships, which relate to deployment of Māori, Pacific and Ethnic Wardens. Pacific and Māori Wardens have played an important role in training Asian Wardens, contributing to reduced crime and improved relationships between ethnic groups and police.

### **Assessing Impact Three: Result of Citizens' Satisfaction survey**

#### *Meeting public expectations and needs*

Overall satisfaction with police service delivery in 2011/12, remained high at 82 percent, with year-on-year improvements in some related indicators.

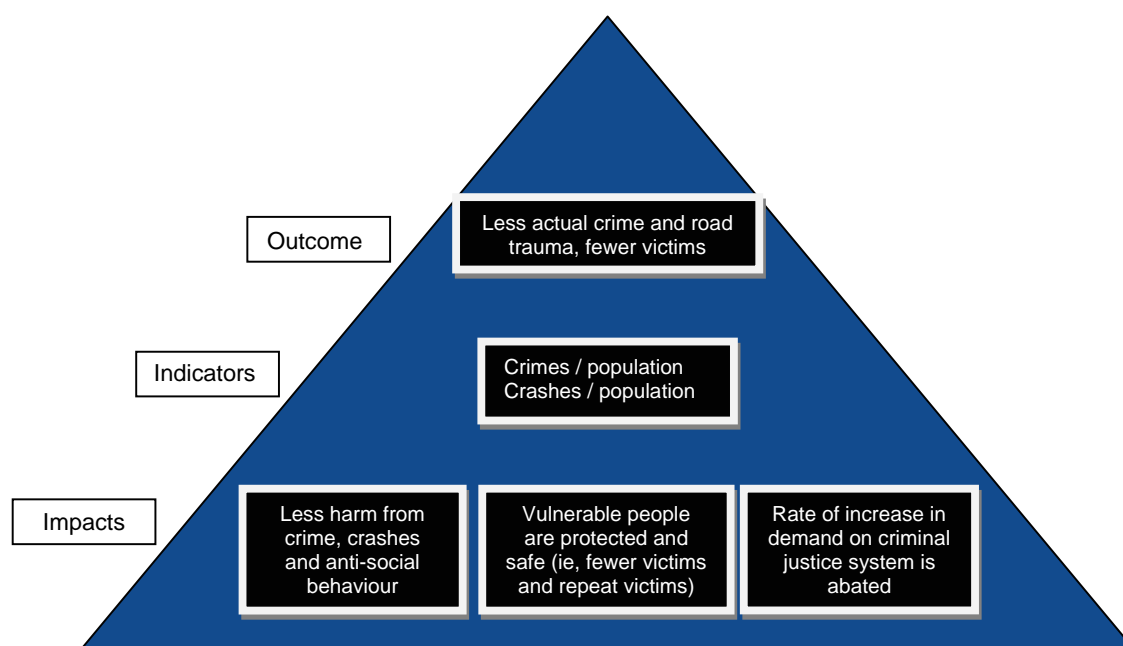
**Table 7: Results of Citizens' Satisfaction Surveys, 2009/10–2011/12**

Indicators	2009/10 (%)	2010/11 (%)	2011/12 (%)
Overall satisfaction with service delivery of those who had contact with police	79	82	82
People who had contact with police whose expectations of service delivery were met or exceeded	88	89	90
Agreed/strongly agreed that 'in the end I got what I needed'	72	75	77

Source: Citizens' Satisfaction Surveys

## Outcome Two: Less actual crime and road trauma, fewer victims

This section reports on progress towards Outcome Two.

**Figure 2: Impacts and indicators for Outcome Two**

This section also reports on the activities that contributed to achieving the impacts and the desired outcome.

Police is committed to reducing crime and crashes and their impact on victims. During the year, Police continued to respond to and investigate crime and crashes effectively and efficiently.

## Outcome indicators

At an outcome level, Police monitors changes in crime in relation to the population, and the Ministry of Transport monitors patterns in crashes and fatalities.

### Police crime and Ministry of Transport crash statistics

The crime rate per 10,000 population over the last three years has continued to decrease. The number of crashes per 100,000 population has decreased steadily over the same period (see Table 8).

**Table 8: Crime and crash rates, 2009/10–2011/12**

Indicator	2009/10	2010/11	2011/12
Crimes per 10,000 population	1,018.4	947.5	891.9
Indicator	2009	2010	2011
Crashes per 100,000 population	259	249	223

## Impacts

The three key impacts for Outcome Two in the Police Statement of Intent 2011/12–2013/14 are:

- less harm from crime, crashes and anti-social behaviour
- vulnerable people are protected and safer
- rate of increase in demand on the criminal justice system abated.

These impacts are discussed below.

### Impact One: Less harm from crime, crashes and anti-social behaviour

During the year, Police continued to reduce the level of harm from crime, crashes and anti-social behaviour. Police continued to focus on the more serious offending by gangs and organised crime, and behaviour that threatens local communities and neighbourhoods.

The following activities contributed to this impact.

#### Positive Road Safety Outcomes – supporting the outcomes of Safer Journeys

There are two overarching strategies for improving Road Safety outcomes.

- Safer Journeys – Police and its road safety partners made a specific commitment to driving the Safer Journeys strategy and its accompanying action plan for 2011/12. Police is well placed to achieve undertakings made in the action plan, which is basis of coordinated road safety work across transport sector agencies.
- Road Policing Strategy – provides a focus for road policing activity over the next four years, as Police works with its road safety partners to achieve a safe road system that is increasingly free of death and serious injury.

Successful outcomes from implementing these strategies include:

- implementing the cross-sector Centre for Road Safety Intelligence in March 2012
- working with the New Zealand Transport Agency and Ministry of Transport to identify high-risk sites for fixed cameras as part of the speed camera expansion programme
- working with the Ministry of Transport to develop a national policy on the use of red light cameras
- adopting a lower speed tolerance over high-risk holiday periods
- expanding the use of evidential breath alcohol devices to rural stations to assist with targeted enforcement of alcohol and drug impairment
- implementing legislative changes around youth alcohol levels
- continuing to enforce illegal street-racing legislation using dedicated teams in some districts
- conducting campaigns to address drink driving and speed offences, as well as targeting high-risk drivers
- deploying over 1,000 SMART devices that allow for the electronic issue of roadside infringement notices
- using automatic number plate recognition to target high-risk offenders.

The next action plan for Safer Journeys is in development. Police will continue to deliver against the current plan until December 2012.

#### Disrupting crime through restraints and forfeitures

During the year, Police's Financial Crime Group:

- opened 137 asset recovery cases, 74 percent (101) of which targeted the assets of drug offenders
- obtained restraining orders over assets valued at an estimated \$73.4 million
- obtained forfeiture orders over assets worth an estimated \$9.2 million of which \$8.1 million was linked to drugs.

#### Identifying priority offenders

Initiatives were undertaken during the year to identify high-risk offenders, including:

- developing and testing an information technology platform for the National Offender Prioritisation Matrix
- starting six-monthly meetings in keeping with the requirements of a multi-agency Agreement for Sharing Information about Child Sex Offenders (the signatories to which include the Department of Corrections, Housing New Zealand and the Ministry of Social Development)
- starting a joint project with the Department of Corrections for enhanced information-sharing to support the management of high-risk offenders once they are released from prison.

## Alcohol Control Strategy

The Alcohol Control Strategy has been in place since 2010 and aims to prevent and reduce alcohol-related offending and victimisation. The strategy was updated this year. The Alcohol Group and National Intelligence Centre worked in partnership to provide district and area Intelligence Teams with a guide for the alcohol section of tactical assessments. This has been reinforced with the auditing of tactical assessments (both at district and area levels) and providing feedback. Counties Manukau District was audited in March 2012, and received a favourable audit report. The audit has resulted in marked improvements to the content and quality of the tactical assessment alcohol sections. The audits will continue for all districts over the coming year.

## Prime Minister's Methamphetamine Action Plan

Police continued to support the Prime Minister's Methamphetamine Action Plan, which was led by the Department of the Prime Minister and Cabinet and supported by Police, the New Zealand Customs Service, Ministry of Health and Ministry of Justice. The overall aim of the plan is to reduce the supply and demand for methamphetamine.

In 2011/12, Police contributed to the Tackling Methamphetamine: Indicators and Progress Reports. Highlights from the Police contribution include:

- working with the Environmental Protection Authority to develop enhanced controls for the supply, storage and use of certain precursor chemicals under the Hazardous Substances and New Organisms Act 1996
- finalising details with the New Zealand Customs Service and in partnership with ESR to continue in 2012/13 the Drug Signature Pilot Programme (a comprehensive programme of detailed chemical and purity analysis of drug seizures by Police and Customs)
- investigating (under the Criminal Proceeds (Recovery) Act 2009) an estimated \$179 million worth of assets suspected to have been obtained through or derived from criminal activity with an estimated \$114 million attributed to drug offending, of which an estimated \$49 million relates to methamphetamine offending.

## Organised crime and methamphetamine control strategies

Police continued to implement the national control strategies (established in 2010) to disrupt and dismantle organised criminality impacting on New Zealand, and to prevent and reduce methamphetamine-related harm in communities.

Initiatives during 2011/12 included:

- developing operational partnerships to combat organised crime
- developing and maintaining national and international partnerships to maximise intelligence sharing
- identifying and targeting high-risk organised crime and methamphetamine individuals, groups and entities, and

- targeting the proceeds from methamphetamine sales and organised criminal assets.

## All-of-Government response to organised crime

In August 2011, the Government released its organised crime strategy, Strengthening New Zealand's Resistance to Organised Crime. The Ministry of Justice is leading this multi-agency strategy, which sets out policy and operational measures to resolve systemic problems that impede the fight against organised crime. In 2011/12, Police has been leading work on four initiatives in the strategy:

- improving cross-agency threat and risk assessments to enable better targeted and coordinated interventions across agencies and more efficient and effective disruption of organised crime
- increasing the sharing of financial intelligence by providing greater access for agencies to suspicious transaction data (collected by the Financial Intelligence Unit) for data matching to enhance the detection and prosecution of economic crime and taxes recovered (joint lead with the Ministry of Justice)
- establishing an international funds transfers and domestic high-value cash transaction collection and monitoring system to track high-risk money trails (joint lead with the Ministry of Justice)
- improving the interchange with overseas law enforcement agencies to gather information on techniques, methodologies, resources and enforcement approaches for dealing with organised criminal groups (joint lead with the New Zealand Customs Service).

This work has involved:

- developing terms of reference for the projects
- developing and consulting on the intervention logic for the projects with relevant government agencies
- consulting with Australian agencies on aspects of the projects
- identifying operational implications for Police, the justice sector and other relevant agencies
- attending and hosting senior officials' and working group meetings on the projects
- briefing the Minister of Police on relevant issues associated with the projects.

## Legislative changes

### Arms Act 1983

The Arms (Military Style Semi-automatic Firearms and Import Controls) Amendment Bill was read for a second time on 22 May 2012. The Bill addresses issues raised by a 2010 High Court decision (*Lincoln v NZ Police*) regarding the definition of military style semi-automatic firearms (MSSAs). The Bill amends the Arms Act 1983 in four areas.

- The definition of 'military style semi-automatic firearm' is reframed in the positive to make the definition clearer.

- The regulation-making power is extended so Police can declare a firearm or type of firearm an MSSA, and defines or describes features of a firearm that are features of an MSSA.
- A right of appeal to the District Court is introduced, so a firearms owner can challenge a Police classification of a firearm as a MSSA.
- Restrictions on the importation of airguns that have the appearance of being real pistols, MSSAs or restricted weapons are introduced.

The Bill was reported back by the Law and Order Committee on 8 August 2011 with a recommendation that it be passed with minor amendments (the most significant being that any regulations defining a firearm or a type of firearm as an MSSA, or a feature of a firearm as being a feature of an MSSA, must be confirmed by statute within 18 months). The Committee welcomed Police considering the establishment of an advisory group to improve communications between Police and the firearms community. Police supported the progression of this Bill through Select Committee by providing an initial briefing on the Bill, facilitating a visit to the Police armoury by Committee members, and by completing a departmental report following consideration of the submissions on the Bill. In addition, Police provided briefings and advice to the Minister of Police on matters relating to the Bill.

Police is also reviewing the Arms Act to identify other amendments that could help to address operational issues that have emerged since the Act was last significantly amended in 1992.

Police activity in support of the administration of the Arms Act 1983 included updating various related policies, providing advice in response to letters and inquiries from the public and parliamentarians, and initiating the establishment of the Arms Advisory Forum to enhance Police engagement with the firearms community.

### **Alcohol Reform Bill**

The Alcohol Reform Bill received its second reading on 13 September 2011. It is expected that the Bill will be passed in 2012. Police has been working closely with, and providing advice to, officials from the Ministry of Justice throughout the development of the Bill to ensure that it will work from an operational perspective.

The Bill includes tools to enhance the Police's ability to prevent and respond to alcohol-related offending and victimisation. These tools include:

- re-categorising a breach of liquor ban as an infringement offence, with the Police retaining the power of arrest
- allowing local alcohol policies to determine trading hours and density of licensed premises, which Police will be consulted on
- allowing district licensing committees to put wider conditions on licensed premises, with police inquiring into and reporting on applications

- widening the criteria for liquor licences to be refused (for example, a likely reduction in the amenity and good order of the locality of more than a minor extent, or inconsistency with the local alcohol policy)
- providing the Police with a greater ability to deal with problematic premises and setting greater sanctions for licensed premises that repeatedly break the law.

Most of the Bill is to come into force 12 months after enactment, although some provisions will take effect after 6 months.

### **Search and Surveillance Act 2012**

The Search and Surveillance Act 2012, which gives Police new and important investigative powers, received the royal assent on 5 April 2012. The provisions relating to new surveillance powers came into force on 18 April. The rest of the Act will come into force by one or more Orders in Council, and the Government is working towards 1 October 2012 (other than for some provisions in Part 5 relating to non-Police agencies).

The new Act will change the way police carries out surveillance. It will change how police enter places, vehicles and computer storage devices, conduct vehicle stops, and search and secure people and places. It also makes these search and surveillance powers more accessible and easier to understand. Some of the powers are new and will assist Police's detection and apprehension of offenders involved in organised and drug-related crime.

The Act provides rules that recognise the importance of rights and entitlements affirmed in Acts such as the New Zealand Bill of Rights Act 1990, Privacy Act 1993 and Evidence Act 2006. Consistent with this, the new search, seizure and surveillance powers come with a high degree of accountability for Police.

To give effect to the new legislation, Police developed and delivered surveillance training to all specialist investigators in Police before the April 2012 changes came into force. Search and generalist surveillance training packages have also been developed and will be delivered in 2012/13 for all other constabulary employees and relevant authorised officers. This includes separate training for supervisors and investigators in the Criminal Investigation Branch.

In addition, Police reviewed and modified the Police Instructions (the internal policies applicable to all employees) relating to searches, surveillance and electronic interception so they reflect the new Act. Over 60 new administrative forms that will be used by employees have been designed to cover several regimes, including for search, surveillance devices, production, examination and seizure. Finally, Police is developing an ICT system to capture the new information that will be required for annual reporting to Parliament and reports to judges and issuing officers.



## Assessing Impact One: Road deaths, serious injuries and resolution of assaults and homicides

### Ministry of Transport Statistics

Table 9 shows that the number of road deaths per 100,000 population has declined considerably since 2010. This equates to a decrease in deaths from 375 in 2010 to 284 in 2011. Likewise, there has been a notable decline in the number of serious injuries per 100,000 populations this year. This equates to a decreased in serious injuries from 2,289 in 2010 to 2,060 in 2011.

**Table 9: Deaths and injuries, 2009–2011**

Impact measures	2009	2010	2011
Number of deaths per 100,000 population*	8.9	8.6	6.4
Serious injuries per 100,000 population†	57	52	47

### Notes

\* The number of fatal crashes per 100,000 population has been changed to number of deaths per 100,000 population to be a measure of harm and better match the serious injuries.

† Serious injuries reported to Police.

Source: Ministry of Transport statistics.

### Assaults, property crime, assets restrained and homicides resolved

The number of assaults leading to physical harm steadily decreased by 828 during the year (as shown in Table 10). Likewise the value of property crime also decreased 4 percent. The resolutions of homicides and serious assaults decreased slightly during the year.

**Table 10: Assaults, property crime, assets restrained, homicides resolved, 2009/10–2011/12**

Impact measures	2009/10	2010/11	2011/12
Number of assaults leading to physical harm	11,495	11,168	10,340
Value of property crime (\$000)	199,602	200,407	191,698
Police are responsive to the needs of my community	75%	78%	78%
Value of assets restrained under proceeds of crime legislation (\$m)	–	22.7	73
Percentage of homicides resolved	94.5%	91.0%	89.7%
Percentage of grievous and serious assaults resolved	89.5%	88.5%	87.1%

## Impact Two: Vulnerable people are protected and safe (that is, fewer victims and repeat victims)

During the year, Police continued to ensure vulnerable people were protected and kept safe from harm. Police focused on children, older people and people with disabilities by working with partner organisations in the sharing of critical information that enabled effective responses to protect these people and prevent further victimisation.

The following activities contributed to this impact.

### Emphasising services for the most vulnerable (children and the elderly)

#### Child witnesses in the criminal courts

In 2011, Police supported proposals the Ministry of Justice put forward on proposed amendments to the Evidence Act 2006 to safeguard children who give evidence in New Zealand's criminal justice system. Giving evidence in open court is a stressful experience for many child witnesses. Several proposals introduce a legislative presumption in favour of pre-recording a child's entire evidence in criminal proceedings, for all witnesses aged under 12 other than defendants. Another proposal stemming from this project is to expedite the pre-recording of evidence from child witnesses, so that the child can move on from a potentially traumatic experience as soon as possible.

#### Family Court review

Police supported the Review of the Family Court throughout 2011/12 (which the Ministry of Justice led). In addition to reforms to address workload problems in the court itself, the resulting proposals seek to give greater emphasis to the welfare of children and other vulnerable witnesses who engage with the Family Court. The review proposes reordering sections 4 and 5 of the Care of Children Act 2004, so that the requirement to protect the child from all forms of violence is first and foremost in all court proceedings.

#### Working with older people

Police undertook a scoping exercise to examine the policing context, issues and opportunities for working with older people to ensure vulnerable people (defined as children and the elderly) are protected and safe from harm. Police will align with the Government Strategy for Elders (the Positive Ageing Strategy) from the Ministry of Social Development. This alignment will involve Police focusing on enhancing the safety of older road users, and family violence such as elder abuse and neglect.

### Providing efficient access to non-emergency police services and reporting historic crime

The Crime Reporting Line was expanded into Canterbury District on 24 February and Eastern District on 5 March 2012. Immediately following the introduction of the line, volume crime reports at front counters have significantly reduced for Canterbury and Eastern (34% reduction).

In April–June 2012, the Crime Reporting Line answered 11,597 calls from Canterbury (95 percent within 30 seconds) and 7,660 calls from Eastern (94 percent within 30 seconds).

### Improved management of criminal and traffic cases

Case management procedures include a requirement for victim interaction at every stage of the case lifetime. Processes have been implemented to track record and audit compliance with these requirements.

Victim-focused procedures have been included in the design of key case management processes to ensure victims' needs are paramount. In particular, at the assessment stage of the case lifetime, File Management Centres will ensure in every case involving a victim, that the victim is appropriately contacted and kept informed of the case's progress.

Processes have been implemented to ensure child protection cases receive a high level of oversight and their progress remains highly visible to supervisors and managers.

Child protection cases are subject to the same case management processes as other cases, but have additional levels of quality assurance. Assurance involves more stringent time limits and review requirements at each stage, and additional reporting tools, so the level of detail required for the close management of these cases is available.

### Assessing Impact Two: Family violence repeats, offences against children, vulnerable adults, deaths and suicides in custody, pedestrians and cyclists killed or seriously injured

#### Family violence repeats

The proportion of family violence repeats have been steady as shown in Table 11.

**Table 11: Family violence repeats, 2009/10–2011/12**

Impact measures	2009/10 (%)	2010/11 (%)	2011/12 (%)
Proportion of family violence incidents that are repeats over the past 12 months	27.3	26.9	26.3

#### Offences against children and vulnerable adults

The number of offences against children and vulnerable adults have been slowly increasing as shown in Table 12.

**Table 12: Offences against children and vulnerable adults, 2009/10–2011/12**

Impact measures	2009/10	2010/11	2011/12
Number of offences against children	4,011	4,833	5,302
Number of offences against vulnerable adults	5,517	5,563	5,139

#### Number of deaths and attempted suicides in Police custody

The number of attempted suicides in police custody has reduced significantly (see Table 13) due to more emphasis on detecting and monitoring people suspected of being at risk and improved training for custody staff. Unfortunately, one death occurred when a person undergoing a breath test in a booze bus collapsed and died due to natural causes.

**Table 13: Number of deaths, suicides, and attempted suicides, 2009/10–2011/12**

Impact measures	2009/10	2010/11	2011/12
Number of deaths in police custody	0	0	1
Number of suicides in police custody	0	0	0
Number of attempted suicides in police custody	14	15	9

#### Pedestrians and cyclist involved in crashes

The number of pedestrians killed continued to decline this year (see Table 14). However, the number of cyclists killed or seriously injured over the same period has increased significantly.

**Table 14: Ministry of Transport report on crash data, 2009–2011**

Impact measures	2009	2010	2011
Number of pedestrians killed or seriously injured enough to be hospitalised for longer than one day	358	347	338
Number of cyclists killed or seriously injured enough to be hospitalised for longer than one day	122	121	137

#### Note:

Non-motor vehicle crashes are not included.



### Impact Three: Rate of increase in demand on the criminal justice system is abated

During the year, Police applied a new rostering tool to create efficiencies in policing. Police took advantage of the opportunities provided by the Policing Act 2008 to enable a gradual shift of resources from response to prevention. Police participated in several wider justice sector projects to simplify court procedures and introduced technology-enabled efficiencies.

The following activities contributed to this impact.

#### Applying greater operational discretion through alternative resolution

The formalised use of discretion and warnings to resolve low-level offending continued during the year. In total, 21,881 pre-charge warnings were issued, a resolution rate of 12 percent. During the year, all districts reached or exceeded the original upper target set for the initiative of 9 percent. A second-stage pilot of written traffic warnings across the three Auckland districts is continuing. A community justice panel initiative (where offenders are held accountable for their offending by a panel of vetted and trained community representatives) is being piloted in Christchurch.

#### Public Sector Excellence Awards 2012

##### *Award for improving public value through business transformation*

Police received the IPANZ Award for Improving Public Value through Business Transformation for its Pre-Charge Warnings initiative. The number of low-level offenders before the courts was placing unsustainable demands on the court system. Police now issue pre-charge warnings for a low-level offence where someone could otherwise have been arrested and charged. Since implementation, police have issued more than 21,000 pre-charge warnings, mainly for disorder and breach of liquor ban offences, reducing the number of new charges before the courts by 9 percent and saving at least an hour of police time preparing files and attending court in each case.

#### Policing Act 2008 opportunities – Authorised Officers

During this year, Police has been gradually transitioning in Authorised Officers to do the work in districts that requires only limited powers. By 30 June 2012, Police had 173 full time equivalent Authorised Officers. This represents a 29 percent increase from last year, with significant increases in the Auckland City and Canterbury Districts. During 2011/12, Police policy has

been confirmed, allowing for a consistent budget treatment for Authorised Officers in future years. In addition, guidance has been provided on the utilisation of Authorised Officers in Criminal Justice Support Units and Investigation Support Units. Opportunities have been investigated for training Authorised Officers to realise the potential benefits of this role.

#### Assessing Impact Three: Resolution of locations based crime and use of alternative resolution

##### *Crime occurrences and alternative resolutions*

The proportion of locations experiencing two or more crime occurrences has decreased slightly (see Table 15). The use of alternative resolutions for volume offences increased significantly (10 percent) during the year.

**Table 15: Locations based crime and volume offences resolution, 2009/10–2011/12**

Impact measures	2009/10 (%)	2010/11 (%)	2011/12 (%)
Proportion of locations experiencing two or more occurrences of crime during the past year *	24.5	24.2	23.8
Percentage of volume offences resulting in the use of an alternative resolution	37.3	47.0	57.1

##### Note

\* This measure is the proportion of locations where there was more than one occurrence of crime over the total locations where a crime occurred during the year.



# Organisational Health and Capability

## Performance Improvement Framework

In March 2012, the Police underwent a central agency Performance Improvement Framework (PIF) review led by Ms Paula Rebstock and Mr Garry Wilson and technical support was provided by Mr Simon Murdoch and Mr Barry Matthews. A draft action plan arising from the review recommendations will be finalised in the new financial year and will be the subject of ongoing improvements in the provision of Police service.

## Equity and diversity

In 2011/12, equity and diversity initiatives focused on women and policing.

### Let's Talk

Let's Talk is an initiative aimed at increasing organisational knowledge of issues, barriers and the positive aspects of life for women in Police.

All women in a district are invited to a one-on-one meeting to discuss their career and personal development, including role models, best practice and issues they have encountered on their police journey.

In 2011/12, Tasman, Wellington and Southern Districts completed with the Training Service Centre. Canterbury District is scheduled for the second half of 2012.

## Connect Women's Development Programme

The Organisational and Employee Development Group runs the Connect Women's Development Programme. This programme supports women with high potential in whom Police intends to invest and develop.

In 2011/12, the two programmes run were Aspire (for female sergeants who had done a programme before) and Connect (for the Lower North). Another Connect programme is planned for the Upper North in September 2012.

Employee gender and rank statistics are shown in Tables 16–18.

Table 16: Employees by gender, as at June 2011 and 2012

Gender	As at 30 June 2011			As at 30 June 2012		
	Constabulary	Employees	Total	Constabulary	Employees	Total
Female	1,562	1,983	3,545	1,584	1,937	3,521
Male	7,294	1,145	8,439	7,356	1,102	8,458
<b>Total</b>	<b>8,856</b>	<b>3,128</b>	<b>11,984</b>	<b>8,940</b>	<b>3,039</b>	<b>11,979</b>
Percentage female (%)	17.6%	63.4%	29.6%	17.7%	63.7%	29.4%

## 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.
- 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 integrity of the numbers reported.

Table 17: Constabulary employees by rank and gender, 2011 and 2012

	As at 30 June 2011				As at 30 June 2012			
	Male	Female	Total	% female	Male	Female	Total	% female
Commissioner	1		1	0.0	1		1	0.0
Deputy commissioner	2		2	0.0	2		2	0.0
Assistant commissioner	3		3	0.0	5		5	0.0
Superintendent	40	2	42	4.8	43	1	44	2.3
Inspector	247	23	270	8.5	229	21	250	8.4
Senior sergeant	372	42	414	10.1	395	47	442	10.6
Sergeant	1,259	146	1,405	10.4	1,276	162	1,438	11.3
Constable	5,212	1,290	6,501	19.8	5,337	1,335	6,672	20.0
Recruits	159	59	218	27.1	68	18	86	20.9
<b>Total</b>	<b>7,295</b>	<b>1,562</b>	<b>8,856</b>	<b>17.6</b>	<b>7,356</b>	<b>1,584</b>	<b>8,940</b>	<b>17.7</b>

## 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 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 integrity of the numbers reported.

Table 18: Employees who do not hold the office of constable by equivalent rank based on salary band and gender, 2011 and 2012

	As at 30 June 2011				As at 30 June 2012			
	Male	Female	Total	% female	Male	Female	Total	% female
Assistant commissioner	4		4	0.0	3		3	0.0
Superintendent	12	2	14	14.3	13	2	15	13.3
Inspector	76	60	136	44.1	78	57	135	42.3
Senior sergeant	35	31	66	47.0	38	40	78	50.9
Sergeant	153	108	261	41.4	144	100	245	41.0
Constable	286	296	582	50.9	278	294	572	51.4
Not equivalent to constabulary rank	579	1,486	2,065	72.0	547	1,444	1,991	72.5
<b>Total</b>	<b>1,145</b>	<b>1,983</b>	<b>3,128</b>	<b>63.4</b>	<b>1,102</b>	<b>1,937</b>	<b>3,039</b>	<b>63.7</b>

### 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.
- 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 employees numbers in the report. This rounding does not affect the overall position or integrity of the numbers reported.

### Anti-harassment initiatives

Police has progressed initiatives to preventing discrimination and harassment, two Harassment Support Officer courses (training 46 officers) were run in 2012 by District and service centre management, bringing the number of officers around the country to 137.

### Supporting people with disabilities

Police continues to be actively involved in the Mainstream Employment Programme. This programme provides a package of subsidies, training and other support to help people with significant disabilities get paid work. By taking part in the programme, employers are tapping into the benefits of employing someone with a disability and future-proofing their workforce.

Police has been involved with this programme for over 20 years and continues to have regular placements with many participants gaining paid work when their placement ends.

### Workplace Survey

Police conducted its annual workplace survey in 2012. This survey provides an insight into the health of the organisation through the perceptions and opinions of staff. All employees were invited to provide their feedback on a host of organisation and workplace attributes such as vision, leadership, communication, team work, the job, as well as respect and integrity within the organisation. In addition, the survey provided Police with an opportunity to gauge prevailing levels of employee engagement. Overall, the results for 2012 show significant improvement.

The response rate was 77 percent, a slight decrease on last year but still a high level of response that allows confidence that a large portion of employee opinion has been captured.

The results of the 2012 survey show a significant improvement on 2011 and have continued the positive trend from 2010. The performance index result (an average of all the questions) increased 3.5 percent from 2011. Every question of the 63 questions asked improved nationally. Police performance index results are now on par with the state sector benchmark.

The proportion of police employees who can be classified as engaged increased from 21.3 percent in 2011 to 28 percent in 2012. Engagement levels are above the state sector benchmark. This engagement level confirms that Police has a large number of highly committed and passionate people in the organisation.

The positive results of the survey reinforce that positive change happens because of the survey. A clear link exists between those work groups that actively worked with the results of the survey in previous years and an increase in engagement levels and more positive survey scores generally. Fifteen percent more people have seen change in response to the 2011 survey than saw change as a response from the 2010 survey.

Police recognises that working with the results of the survey is a long-term process and in some areas Police has significant work to do.

Police places importance on survey improvements and all districts and service centres have action plans to address the priority areas that will have the biggest impact on employee engagement levels.

Table 19: Staff numbers (full-time equivalents), 2010–2012

Districts/Groups	As at 30 June 2010			As at 30 June 2011			As at 30 June 2012		
	Constabulary	Other Police Employees	Total	Constabulary	Other Police Employees	Total	Constabulary	Other Police Employees	Total
Northland	331	59	390	319	53	372	330	52	382
Waitematā	728	144	872	715	147	862	736	137	873
Auckland City	707	175	882	687	177	864	772	174	945
Counties Manukau	1005	220	1225	1064	205	1269	1080	192	1273
Auckland Metropolitan Crime and Operations Support	234	69	303	231	62	292	0	0	0
Waikato	597	99	696	586	107	693	608	105	712
Bay of Plenty	621	120	741	604	116	720	649	117	766
Eastern	404	63	467	415	68	483	693	112	805
Central	675	113	788	669	115	783	432	75	507
Wellington	804	164	968	780	167	947	778	163	941
Tasman	308	58	366	313	62	376	323	58	381
Canterbury	871	123	994	885	126	1011	923	129	1052
Southern	574	89	663	548	91	639	566	94	660
Police National Headquarters	86	253	339	89	264	352	82	268	350
Training	117	135	252	123	133	255	128	116	243
Licensing and Vetting	1	24	25	2	22	24	2	16	18
Police Prosecution Service	179	145	324	174	149	323	174	154	328
Communications	87	438	525	86	448	535	81	438	518
Police Infringement Bureau	14	94	108	13	93	106	11	86	98
Commercial Vehicle Investigation Unit	92	22	114	87	23	110	81	24	105
Crime	47	105	152	43	106	149	205	151	356
Information and Communications Technology	6	282	288	4	278	282	3	256	259
Legal	5	20	25	3	20	23	4	17	21
National Tactics Service Centre	77	3	80	72	4	76	72	4	76
International Services Group	83	15	98	59	13	72	50	11	61

Districts/Groups	As at 30 June 2010			As at 30 June 2011			As at 30 June 2012		
	Constabulary	Other Police Employees	Total	Constabulary	Other Police Employees	Total	Constabulary	Other Police Employees	Total
Organised and Financial Crime Agency of New Zealand	14	10	24	29	14	43	32	17	49
National Intelligence Centre	14	39	53	17	42	59	17	48	65
Financial Crime Group	22	16	38	25	25	50	23	26	49
Subtotal	8,703	3,097	11,800	8,638	3,128	11,766	8,855	3,039	11,894
Corporate Service Centre	5	2	7						
Recruits	81		81	218		218	85		85
<b>Total</b>	<b>8,789</b>	<b>3,099</b>	<b>11,888</b>	<b>8,856</b>	<b>3,128</b>	<b>11,984</b>	<b>8,940</b>	<b>3,039</b>	<b>11,979</b>

#### 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. Corporate Service Centre reflects employees on final retirement leave; changes to Police policy mean this will no longer be used.
- The Auckland Metropolitan Crime and Operations Support Unit was disestablished in 2011/12. Its functions and employees were transferred to Auckland City and the crime team.
- 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.

**Table 20: Ethnicity profile of New Zealand Police (2011 and 2012)**

<b>Ethnicity</b>	<b>Proportion of population (2006 census) (%)</b>	<b>Police profile as at 30 June 2011 (%)</b>	<b>Police profile as at 30 June 2012 (%)</b>
New Zealand European/Pākehā	72.8	72.3	72.4
Māori	14.6	11.0	10.9
Pacific peoples	7.5	4.9	4.9
Asian peoples	9.3	2.3	2.3
European	7.1	16.2	15.9
Other ethnic groups	1.0	0.5	0.5

**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 selected, so the percentages in this table will add to more than 100 percent.
- 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 member.
- Numbers do not include employees on leave without pay.
- Population statistics are from 2006 Census and include all 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.

## Remuneration

The number of Police employees, excluding 'casual' employees employed on an as-required basis, who received total remuneration during 2011/12 by \$10,000 band is shown in Table 21.

**Table 21: Staff by salary band, 2011/12**

Total remuneration band	Total personnel	Overseas [a]	Left New Zealand Police [b]	Started during year [c]	Remuneration authority [d]
\$0–\$9,999	298	0	195	163	0
\$10,000–\$19,999	379	0	80	247	0
\$20,000–\$29,999	267	0	92	63	0
\$30,000–\$39,000	363	1	86	81	0
\$40,000–\$49,000	781	1	65	117	0
\$50,000–\$59,000	1,156	1	47	91	0
\$60,000–\$69,000	2,189	1	37	3	0
\$70,000–\$79,000	1,853	8	42	8	0
\$80,000–\$89,000	1,600	9	21	1	0
\$90,000–\$99,999	1,546	14	22	1	0
\$100,000–\$109,999	1,058	15	14	2	0
\$110,000–\$119,999	790	16	13	1	0
\$120,000–\$129,999	440	12	7	1	0
\$130,000–\$139,999	219	8	11	0	0
\$140,000–\$149,999	90	7	6	0	0
\$150,000–\$159,999	65	6	8	0	0
\$160,000–\$169,999	39	5	5	0	0
\$170,000–\$179,999	21	5	6	0	0
\$180,000–\$189,999	12	2	2	0	0
\$190,000–\$199,999	11	2	4	0	0
\$200,000–\$209,999	9	1	1	0	0
\$210,000–\$219,999	1	0	0	0	0
\$220,000–\$229,999	4	0	1	0	0
\$230,000–\$239,999	8	3	1	0	0
\$240,000–\$249,999	7	0	3	0	0
\$250,000–\$259,999	7	0	1	0	0
\$260,000–\$269,999	5	0	0	0	0
\$270,000–\$279,999	1	0	0	0	0
\$280,000–\$289,999	2	1	0	0	0
\$290,000–\$299,999	2	0	0	0	0
\$300,000–\$309,999	3	2	1	0	0
\$310,000–\$319,999	1	0	1	0	0
\$320,000–\$329,999	1	0	0	0	0
\$390,000–\$400,000	1	0	1	0	0
\$440,000–\$450,000	1	0	0	0	1
\$460,000–\$470,000	1	0	0	0	1
\$610,000–\$620,000	1	0	0	0	1
<b>Total</b>	<b>13,232</b>	<b>120</b>	<b>773</b>	<b>779</b>	<b>3</b>

### 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 actually received during 2011/12 not the full-time remuneration at any point of the year.

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

[b] Employees who left New Zealand Police during 2011/12 and many have been paid contractual entitlements.

[c] Employees who began working for New Zealand Police during 2011/12 and have not yet received a full year's remuneration.

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

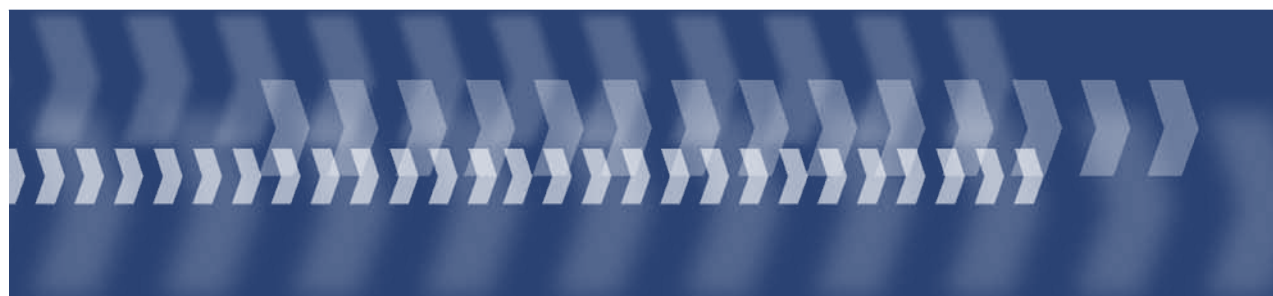


## Organisational health and capability indicators

Table 22: Measuring organisational health and capability, 2011/12

Capability	Indicators	Progress for 2011/12
People – leading change with fairness and integrity	Employees' level of engagement with their work	Employees' engagement level reported in the March 2012 workplace survey increased to 73.3% from 70.5% in 2011.
	Police staff consider the organisation values high standards of conduct and integrity	The March 2012 workplace survey found an increase in the number of employees who reported that: <ul style="list-style-type: none"> <li>• people in their work group are held accountable (from 66% to 68%)</li> <li>• poor performance is dealt with effectively in their work group (from 46% to 52%).</li> </ul>
People – effective performance management	Individual performance management	The March 2012 workplace survey found an increase in the number of employees: <ul style="list-style-type: none"> <li>• reporting that they get regular feedback on their performance from their supervisor (from 60% to 66%)</li> <li>• understanding how their performance is measured (from 55% to 61%).</li> </ul>
People – building capability	Future skill needs are identified for succession planning	A new tool is being implemented to identify and monitor the development of high-performing senior managers. This tool will complement the talent management work of the National Development Board.
	Safety issues are monitored and identified	There continues to be an overall improvement in safety measures with a decrease in both the number of injuries as well as the number of injuries resulting in time off work.
People – developing a responsive and flexible workforce	Ethnic and gender profiles of the workforce move towards the profile of the New Zealand population	The recommendations of a Human Rights Commission working group that considered structural barriers to the progression of ethnic and female groups in Police will be incorporated into strategies in 2012/13.

Capability	Indicators	Progress for 2011/12
Tools and infrastructure	Reliable network capability; public can contact police.	<p>The Police Communications Network has an annual programme that implements optimal technologies and equipment.</p> <p>Police continued maintenance improvements to the network that significantly bolstered standard capacity for Police sites from 128 kb to 2 mb. Police conducted an external independent network review to ensure readiness for the Rugby World Cup 2011. The network has also been updated with network devices to improve network redundancy and general resilience. These changes were beneficial in enabling Police to provide comprehensive support during the Rugby World Cup.</p> <p>The 111 Communications Centre access to radio channels (IPICS infrastructure) is being enhanced to add resiliency and improve operational availability.</p> <p>Police started a project in July 2011 to implement a new unified communications solution nationwide. When the roll-out completes in mid-2013, Police telephony services will improve significantly, which will result in major operational and operating cost benefits.</p> <p>Police has implemented mobile technology solutions that use the Police network to access back-end information systems (for example, SMART ticketing and the Policing Excellence Mobility proof of concept).</p>
	The public can use the internet for self-service options and victims have secure on-line access to information about the progress of their cases.	<p>Online reporting through the web portal is the last phase of the Crime Reporting Line's implementation. The implementation is completing Phase 2 (developing the call centre application CRIS) and implementing Phase 3 (roll-out to the remaining seven districts). Phase 2 is due to be completed by the end of 2012 and Phase 3 by June 2013. Planning for Phase 4 (web portal) will commence following the successful completion of these prerequisite phases.</p>



# Statement of Service Performance

## NEW ZEALAND POLICE FINANCIAL STATEMENTS For the Year Ended 30 June 2012

### Statement of Responsibility

As the Commissioner of Police, I am responsible for the preparation of New Zealand Police's financial statements and the assessments made in the process of producing those statements.

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 New Zealand Police for the year ended 30 June 2012, and I authorise them to be issued on 28 September 2012.

Signed by:

Peter Marshall MNZM  
Commissioner of Police

Countersigned by:

John Bole  
General Manager Finance

## Statement of Service Performance for the year ended 30 June 2012

The Auditor-General has noted the need for public entities to generally improve performance reporting. In this regard, Police continues to test and refine its performance measures used in key accountability documents.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
New Measure for 2011/12	Number of policy briefings provided for the Minister	123	75 to 100
New Measure for 2011/12	Quality of policy briefings that the Minister is satisfied with assessed via six monthly meetings	Very satisfied	Very satisfied
New Measure for 2011/12	Quality of policy papers demonstrated through independent assessment (once every 2 years)	n/a <sup>[1]</sup>	Very good
New Measure for 2011/12	Policy advice is provided in a timely manner, in accordance with the work programme agreed with the Minister	100%	At least 95%

#### Notes

[1] This result will be reported in the 2012/13 Annual Report.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
676	Number of items of ministerial correspondence referred to Police for draft reply	321 <sup>[2]</sup>	550 to 850
790	Number of parliamentary questions referred to Police for draft response	238 <sup>[2]</sup>	660 to 1,200
New Measure for 2011/12	Number of briefings for the Minister	188 <sup>[2]</sup>	250 to 350

#### Notes

[2] This result is demand driven. Election cycles and changes in Minister can affect this result.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
New Measure for 2011/12	Percentage of items of ministerial correspondence returned due to errors	2%	Less than 5%
99%	Percentage of draft responses to parliamentary questions that are provided within the timeframes specified	96%	100%

### Output Expense Statement

#### Policy Advice and Ministerial Servicing for the year ended 30 June 2012

2010/11 Actual		2011/12 Actual	2011/12 Main Estimates	2011/12 Supplementary Estimates
\$000		\$000	\$000	\$000
<b>Revenue</b>				
3,136	Revenue Crown	3,117	3,158	3,117
10	Revenue Department	9	6	6
17	Revenue Other	17	9	11
<b>3,163</b>	<b>Total Revenue</b>	<b>3,143</b>	<b>3,173</b>	<b>3,134</b>
<b>Expenses</b>				
2,600	Policy Advice	2,424	2,745	2,408
505	Ministerial Servicing	681	428	726
<b>3,105</b>	<b>Total Expenses</b>	<b>3,105</b>	<b>3,173</b>	<b>3,134</b>
<b>58</b>	<b>Net Surplus (Deficit)</b>	<b>38</b>	<b>-</b>	<b>-</b>

## 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
78%	Percentage of the public that agree that Police is responsive to the needs of the community	78%	75%
68%	Percentage of the public that agree that Police is involved in community activities	69%	67%

#### *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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
New Measure for 2011/12	Number of youth formal warnings	8,284	10,500 to 11,500
16,349	Number of youth offences dealt with through alternative action resolutions	15,750	18,000 to 22,000
2,500	Number of youths accepted on Youth Development Programmes	2,826	2,500 to 3,500

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
New Measure for 2011/12	Percentage of children and young people referred to Family Group Conference who have had their risks and needs screened with Youth Offender Risk Screening Tool (YORST)	82% <sup>[3]</sup>	95% to 100%

#### Note

[3] While Police is currently achieving below the 95% target, emphasis has been put into the completion of the YORST within Police districts. Police expects this result to improve over the coming year with completion rates expected to continue to increase.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
New Measure for 2011/12	Percentage of vetting applications processed within agreed timeframes: priority applications	100%	100%
New Measure for 2011/12	Percentage of vetting applications processed within agreed timeframes: general applications	100%	70%
4	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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
777	Number of firearms licences revoked	599 <sup>[4]</sup>	400 to 600
101	Number of firearms licences revoked in response to actions under the Domestic Violence Act 1995	79 <sup>[4]</sup>	50 to 150

#### Notes

[4] This outturn is a response by Police preventing a person no longer deemed to be fit-and-proper, from holding a firearms licence. Revocations are demand driven.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
104 days	Number of days taken to process 90% of firearms licence applications	120 days <sup>[5]</sup>	30 days

#### Notes

[5] A review of the firearms licensing process found that the absence of individual performance plans for Vetting Officers at area office level was a key driver of this lower than expected result. The planned introduction of performance plans and consistent monitoring in 2012/13 is expected to show improved results.

### Output Expense Statement

#### General Crime Prevention Services for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Main Estimates \$000	2011/12 Supplementary Estimates \$000
<b>Revenue</b>				
108,068	Revenue Crown	148,818	108,901	148,818
350	Revenue Department	437	515	515
2,202	Revenue Other	2,421	2,376	2,475
<b>110,620</b>	<b>Total Revenue</b>	<b>151,676</b>	<b>111,792</b>	<b>151,808</b>
<b>Expenses</b>				
41,903	Community Responsiveness	83,861	44,162	83,107
34,961	Youth Services	51,622	37,099	52,886
10,788	Vetting Services	4,760	12,535	4,564
12,249	Firearms Licensing	7,504	13,499	7,088
4,133	Lost and Found Property	3,988	4,497	4,163
<b>104,034</b>	<b>Total Expenses</b>	<b>151,735</b>	<b>111,792</b>	<b>151,808</b>
<b>6,586</b>	<b>Net Surplus (Deficit)</b>	<b>(59)</b>	<b>-</b>	<b>-</b>



## 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
Quantity			
302,919	Number of bail curfew checks recorded	351,930 <sup>[6]</sup>	270,000 to 310,000
New Measure for 2011/12	Number of Vehicle stops	467,049 <sup>[6]</sup>	420,000 to 450,000
New Measure for 2011/12	Number of Foot Patrols	57,055 <sup>[6]</sup>	25,000 to 30,000
New Measure for 2011/12	Number of Licensed Premises Visits	33,343 <sup>[6]</sup>	17,000 to 20,000
28,329	Number of bail breaches detected	31,203	25,000 to 30,000

### Notes

[6] Police have increased their focus on delivering preventative outputs, through the Prevention First strategy.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
68	Number of public demonstration operations where an operation order has been prepared	46 <sup>[7]</sup>	70 to 110
432	Number of public event operations where an operation order has been prepared	521 <sup>[7]</sup>	480 to 520
173	Number of personal (VIP) security operations where an operation order has been prepared	102 <sup>[7]</sup>	100 to 140

#### Notes

[7] Police presence at this event is preventative in nature; however the demand for attendance is externally driven.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
Nil	Number of complaints upheld for maintenance of order	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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
57	Number of police staff deployed offshore annually	50 <sup>[8]</sup>	85
11	Number of capacity building programme annual workplans and projects delivered	20	23

#### Notes

[8] Some overseas projects were scaled down or concluded, thus requiring the deployment of fewer Police staff.

## Output Expense Statement

### Specific Crime Prevention Services and Maintenance of Public Order for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Main Estimates \$000	2011/12 Supplementary Estimates \$000
<b>Revenue</b>				
85,228	Revenue Crown	136,330	97,254	136,330
12,923	Revenue Department	12,883	11,776	13,631
651	Revenue Other	1,022	426	525
<b>98,802</b>	<b>Total Revenue</b>	<b>150,235</b>	<b>109,456</b>	<b>150,486</b>
<b>Expenses</b>				
52,154	Directed Patrols	113,458	57,709	114,154
25,448	Maintenance of Order	17,269	21,729	16,401
21,253	Staff Deployment Overseas and Support to the Pacific Islands Chiefs of Police	17,964	30,018	19,931
<b>98,855</b>	<b>Total Expenses</b>	<b>148,691</b>	<b>109,456</b>	<b>150,486</b>
<b>(53)</b>	<b>Net Surplus (Deficit)</b>	<b>1,544</b>	<b>-</b>	<b>-</b>

## 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
721,106	Number of 111 calls presented	713,917 <sup>[9]</sup>	750,000 to 850,000
New Measure for 2011/12	Number of non-emergency calls presented at Communications Centres (incl. Crime Reporting Line & *555)	987,272 <sup>[10]</sup>	1,330,000 to 1,450,000

#### Notes

[9] The impact of the earthquakes in Christchurch generated additional call volumes in 2010/11, which was not seen in the 2011/12 year. Emergency call volumes have also decreased since the implementation of an Interactive Voice Recording (IVR) system that deals appropriately with 'Caller No Response' calls.

[10] The \*555 call volumes have decreased since the ban on using a cell phone whilst driving was introduced. This change has also reduced the volume of incoming non-emergency calls more than was originally anticipated. In addition, a shift in the non-emergency call handling process has seen a greater focus on resolving a call during first contact, reducing repeat calls.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
85%	Percentage of randomly surveyed callers who expressed satisfaction with the Communications Centre's response to calls	83%	Result equal to or better than 2010/11
93%	Percentage of 111 calls answered within 10 seconds of being presented to the Communications Centres	92%	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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
New Measure for 2011/12	Median response time to emergency events in urban policing areas	7 minutes 48 seconds	8 to 9 minutes
New Measure for 2011/12	Median response time to emergency events in rural policing areas	12 minutes 48 seconds	12 to 14 minutes

## Output Expense Statement

### Police Primary Response Management for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Main Estimates \$000	2011/12 Supplementary Estimates \$000
<b>Revenue</b>				
453,696	Revenue Crown	384,634	442,036	384,634
1,439	Revenue Department	1,119	1,515	1,515
2,446	Revenue Other	2,094	2,159	2,559
<b>457,581</b>	<b>Total Revenue</b>	<b>387,847</b>	<b>445,710</b>	<b>388,708</b>
<b>Expenses</b>				
45,476	Communication Centres	35,301	49,028	37,191
414,200	Police Response to Incidents and Emergencies	351,466	396,682	351,517
<b>459,676</b>	<b>Total Expenses</b>	<b>386,767</b>	<b>445,710</b>	<b>388,708</b>
<b>(2,095)</b>	<b>Net Surplus (Deficit)</b>	<b>1,080</b>	<b>-</b>	<b>-</b>

## 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
5 <sup>[11]</sup>	Number of family violence death review investigations undertaken and completed (within the required timeframe).	9 <sup>[11]</sup>	30
14,746	Number of DNA Databank samples obtained	18,133 <sup>[12]</sup>	12,000 to 13,000
2	Number of multi-agency taskforce operations commenced by the Organised and Financial Crime Agency New Zealand	14 <sup>[13]</sup>	2
New Measure for 2011/12	Number of organised criminal networks/enterprises disrupted by the Organised and Financial Crime Agency New Zealand	14 <sup>[14]</sup>	2

## Notes

[11] All family violence deaths require a review to be undertaken. The review must be commenced within 7 days, and completed within 60 days, of an event occurring. Death review compliance monitoring continues and further improvement is expected during the 2012/13 year.

[12] Increase in DNA databank samples obtained is due to a change in legislation in December 2011 permitting samples being taken from those people Police intend to charge with an imprisonable offence.

[13] The variance is primarily due to the absorption of the organised crime and drug resources of a pan-Auckland Police delivery unit (AMCOS) into the Organised and Financial Crime Agency New Zealand (OFCANZ), in November 2011. This meant that all taskforce operations previously run by AMCOS, now fall under OFCANZ and its reporting structure.

[14] The number of disruptions is effectively a 1:1 relationship with the number of taskforce operations commenced.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
87%	Percentage of people who have reported offences that are advised of results or updated on the investigation within 21 days of reporting that offence	85%	90%
19%	Percentage of Family Violence Death Reviews commenced within 7 days of an event occurring and completed within 60 days.	38% <sup>[11]</sup>	100%
	Percentage of family violence repeats in a year as defined by:		
(i) 28%	(i) All ethnicities	(i) 26%	(i) 26%
(ii) 34%	(ii) Māori	(ii) 33%	(ii) 32%
(iii) 26%	(iii) Pacific peoples	(iii) 23%	(iii) 25%
(iv) 27%	(iv) Caucasians	(iv) 26%	(iv) 26%
91%	Percentage of homicide offences resolved (i.e. solved or charges laid) versus homicide offences recorded	90%	90%
96%	Percentage of Victim Support Groups that are satisfied with the Police provision of services in relation to initial response and criminal investigation	100%	100%
	Case Resolution rate: <sup>[15]</sup>		
(i) 102% <sup>[16]</sup>	(i) Mandatory Cases	(i) 93%	(i) 90%
(ii) 82%	(ii) Critical Cases	(ii) 82%	(ii) 80%
(iii) 87%	(iii) Priority Cases	(iii) 89%	(iii) 80%
(iv) 34%	(iv) Volume Cases	(iv) 34% <sup>[17]</sup>	(iv) 45%

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
	Active cases that are more than one year old: <sup>[15]</sup>		
(i) 72%	(i) Mandatory Cases	(i) 85% <sup>[18]</sup>	(i) 60% <sup>[19]</sup>
(ii) 37%	(ii) Critical Cases	(ii) 36% <sup>[18]</sup>	(ii) 30%
(iii) 29%	(iii) Priority Cases	(iii) 26% <sup>[18]</sup>	(iii) 25%
(iv) 23%	(iv) Volume Cases	(iv) 21% <sup>[18]</sup>	(iv) 20%
New Measure for 2011/12	Percentage of cases assessed & assigned for investigation within 30 days of initial reporting: <sup>[15]</sup>		
	(i) Mandatory Cases	(i) 97%	(i) 95%
	(ii) Critical Cases	(ii) 87%	(ii) 90%
	(iii) Priority Cases	(iii) 92% <sup>[20]</sup>	(iii) 80%
	(iv) Volume Cases	(iv) 89% <sup>[20]</sup>	(iv) 70%
New Measure for 2011/12	Percentage of cases resolved within 90 days of coming to Police attention: <sup>[15]</sup>		Benchmarks to be established in 2011/12
	(i) Mandatory Cases	(i) 66%	
	(ii) Critical Cases	(ii) 69%	
	(iii) Priority Cases	(iii) 80%	
	(iv) Volume Cases	(iv) 30%	
New Measure for 2011/12	Percentage of active investigation cases reviewed within 90 days of commencing investigation: <sup>[15]</sup>		
	(i) Mandatory Cases	(i) 40% <sup>[21]</sup>	(i) 95%
	(ii) Critical Cases	(ii) 73% <sup>[21]</sup>	(ii) 95%
	(iii) Priority Cases	(iii) 55% <sup>[21]</sup>	(iii) 95%
	(iv) Volume Cases	(iv) 56% <sup>[21]</sup>	(iv) 95%
New Measure for 2011/12	Average time to close a case: <sup>[15]</sup>		Benchmarks to be established in 2011/12
	(i) Mandatory Cases	(i) 1,755 days <sup>[18]</sup>	
	(ii) Critical Cases	(ii) 545 days <sup>[18]</sup>	
	(iii) Priority Cases	(iii) 311 days <sup>[18]</sup>	
	(iv) Volume Cases	(iv) 228 days <sup>[18]</sup>	

**Notes:**

[15] The following are definitions of categories of cases:

**Mandatory:** Serious crime and incident types that reflect the greatest risk to the public. This category includes homicides, fatal crashes and some statutory offences.

**Critical:** Serious offences against the person. This category includes child abuse, sexual/grievous assaults, terrorism and kidnapping.

**Priority:** All other crimes against the person and those affecting public safety; includes drug offending, family violence related offences and traffic cases involving injury.

**Volume:** All traditional dishonesty, vagrancy, less serious assaults, alcohol related and traffic (non-injury).

[16] This is a throughput measure (ratio of output to input); specifically, the ratio of files created to files resolved during the year. Where the figure reported is less than 100%, more files were created than were resolved. Where it is more than 100%, more files were resolved than were created. Not all files are resolved in the same year they are created. In the 2010/11 fiscal year, the Case Resolution Rate for 'Mandatory' cases was 102%. 108 files were created during the year and 110 resolved. Of these resolved cases, 31 had already been created at the start of the year (i.e. these were files that were carried forward from previous years).

[17] The resolution target was set before the systems that enabled data-capture and reporting were established. Police will investigate what changes are needed to assist in increasing resolution rates.

[18] Police are currently introducing improved case management practices. It is expected that once these new initiatives are fully operational, a positive impact will be observed.

[19] The main offence types are homicides or fatal crashes that often involve complex investigations subject to coronial process and jury trials. It is estimated that two thirds of all homicides would end up in Court and take about 18 months to 2 years to complete. All fatal crashes will still require coronial hearing which is outside of Police control.

[20] The target was set before the systems that enabled data-capture and reporting were established. The target will be re-visited for the 2013/14 year.

[21] While the outturns for this measure are lower than the targets they do not necessarily reflect a lack of supervisory oversight and review. The electronic review process (and therefore reporting) in the Police National Intelligence Application (NIA) is a new function. Supervisors have not fully transitioned between carrying out paper based file reviews, and recording these electronically. In practice, supervisors and investigators often work closely together so review activities are carried out on an ongoing basis, Police expects these results to improve over the coming year.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
10,734	Number of non-criminal investigations relating to recorded incidents involving persons with mental illness	10,760	10,000 to 11,000
5,180	Number of non-criminal investigations relating to reports of sudden deaths	5,039	4,500 to 5,500
16,650	Number of non-criminal investigations relating to reports of missing persons	15,451	15,000 to 16,000

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
1	Number of complaints upheld which relate principally to Police non-criminal investigations	0	Fewer than 3



## Output Expense Statement

### Investigations for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Main Estimates \$000	2011/12 Supplementary Estimates \$000
<b>Revenue</b>				
403,336	Revenue Crown	360,961	398,341	360,961
1,280	Revenue Department	1,050	1,305	1,305
2,174	Revenue Other	1,961	1,610	1,969
<b>406,790</b>	<b>Total Revenue</b>	<b>363,972</b>	<b>401,256</b>	<b>364,235</b>
<b>Expenses</b>				
375,609	Criminal Investigations	344,372	374,245	338,646
26,895	Other Investigations	25,870	27,011	25,589
<b>402,504</b>	<b>Total Expenses</b>	<b>370,242</b>	<b>401,256</b>	<b>364,235</b>
<b>4,286</b>	<b>Net Surplus (Deficit)</b>	<b>(6,270)</b>	<b>-</b>	<b>-</b>

## 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
New Measure for 2011/12	Number of cases prosecuted	137,512	Benchmark to be established in 2011/12
8,848	Number of diversions successfully completed	6,568 <sup>[22]</sup>	7,500 to 8,500

## Notes:

[22] An increased use of alternative resolutions has reduced the number of people entering the diversion scheme.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
81%	Percentage of files with Victim Impact Statements, where the statement is no older than 28 days when it is required for sentencing	79%	85%
New Measure for 2011/12 <sup>[23]</sup>	Percentage of contested hearings that do not proceed on the date agreed between Police and Court, for reasons that are the responsibility of Police	3%	Less than 5%
14%	Percentage of recorded offences resolved: Dwelling burglary	14%	15%
77%	Percentage of recorded offences resolved: Assaults	75%	83%
90%	Percentage of recorded offences resolved: Family violence offences	Not available <sup>[24]</sup>	95%
23%	Percentage of recorded offences resolved: Motor vehicle theft offences (includes unlawful taking and conversion)	23%	19%

## Notes:

[23] The information supporting the estimates document incorrectly states this as 'Less than 0.5%'. This is a new measure for the 2011/12 year.

[24] Police recorded offences are Tier 1 statistics, as defined by Statistics New Zealand. However, changes in recording practices and systems over time have affected whether or not an offence is flagged as a family violence offence in Police datasets. The changes mean Police statistics for 'family violence offences' do not meet Tier 1 criteria, and can no longer be used to make meaningful comparisons over time. The decision has thus been taken to discontinue counting 'family violence offences' per se, in favour of reporting counts of how many family violence investigations police undertake. In addition, Police is currently developing a new dataset on victims of crime that will enable more robust statistical analysis, and include information on the relationship between different types of victims and offenders.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
70,155	Number of court documents executed	69,671	75,000 to 80,000

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
Nil	Number of complaints upheld relating to the execution of court documents	Nil	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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
163,114	Number of prisoners held	157,406 <sup>[25]</sup>	175,000 to 180,000
1,353	Number of electronic monitoring (EM) bail applications assessed	1,416	1,200 to 1,500
420	Number of electronically monitored bailees	519 <sup>[26]</sup>	350 to 400

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
Nil	Number of complaints upheld relating to the custody and escort of prisoners	Nil	Fewer than 3

#### Notes:

[25] Expected prisoner volumes have been affected by Police employing pre-charge warnings and a reduction in the numbers of Corrections prisoners held in some districts.

[26] This outturn is driven by judicial decisions.

## Output Expense Statement

### Case Resolution and Support to Judicial Process for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Main Estimates \$000	2011/12 Supplementary Estimates \$000
<b>Revenue</b>				
108,455	Revenue Crown	119,448	109,834	119,448
556	Revenue Department	430	553	553
586	Revenue Other	649	514	613
<b>109,597</b>	<b>Total Revenue</b>	<b>120,527</b>	<b>110,901</b>	<b>120,614</b>
<b>Expenses</b>				
46,972	Criminal Case Resolution	45,376	49,380	46,756
5,844	Execution of Court Summonses, Warrants and Orders	17,503	6,148	17,589
54,256	Custody and Escort Services	57,685	55,373	56,269
<b>107,072</b>	<b>Total Expenses</b>	<b>120,564</b>	<b>110,901</b>	<b>120,614</b>
<b>2,525</b>	<b>Net Surplus (Deficit)</b>	<b>(37)</b>	<b>-</b>	<b>-</b>

## 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, and 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, Police contributes towards the achievement of the Safer Journeys outcomes and Road Policing Strategy actions.

### 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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
2,241,952	Number of compulsory breath tests conducted <sup>[27]</sup>	Not available <sup>[28]</sup>	2,000,000
1,023,162	Number of mobile breath tests conducted <sup>[27]</sup>	Not available <sup>[28]</sup>	700,000
- <sup>[27]</sup>	Number of breath alcohol tests conducted <sup>[27]</sup>	2,864,380 <sup>[28]</sup>	2,700,000

### Notes

[27] From this year, Police will report a combined result for CBTs and MBTs, and will introduce a new measure based on information from sniffer units used by frontline police officers. The sniffer unit counts are electronically recorded when a breath test is conducted and test volumes are downloaded and reported to Police every six months by the manufacturer of the units.

[28] Police currently report two different alcohol breath testing measures. This includes: (1) an overall total number of alcohol breath tests conducted on an annual basis (reported in the Police Annual Report); (2) the number of compulsory breath tests, and mobile breath tests undertaken each quarter (included in the Road Policing Programme quarterly report). This information is captured in different ways, and to different timeframes to meet wider organisational needs, meaning the two reported results are not comparable. Work is underway to simplify and align measurement of this result in the future.

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
New Measure for 2011/12	Percentage of road side inspection reports for all HMY vehicles inspected that are entered into the NZTA Road Inspection database within 20 working days	96%	100%
100%	Percentage of all commercial vehicle combinations stopped by Commercial Vehicle Investigation Unit (CVIU) staff, and for which vehicle inspection reports are completed	94%	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 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
88%	Percentage of all schools contacted by Police Education Officers and/or in receipt of school road safety education sessions	91%	100%

### Output 7.3 – Road Policing Incident and Emergency Management

This output covers:

- road crash attendance and investigation
- traffic management services.

#### Performance Measures

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
78,608	Number of traffic incidents, blockages and breakdowns attended	77,462	80,000 to 90,000

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
New Measure for 2011/12	Median response time to emergency traffic events in urban policing areas	8 minutes 36 seconds	8 to 9 minutes
New Measure for 2011/12	Median response time to emergency traffic events in rural policing areas	10 minutes 54 seconds	12 to 14 minutes
Nil	Number of complaints upheld against the Police relating to attendance at traffic emergencies and disasters	Nil	Fewer than 5

### Output 7.4 – Road Policing Resolutions

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

#### Performance Measures

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quantity</b>			
New Measure for 2011/12	Number of traffic cases prosecuted	69,797	Benchmark to be established in 2011/12

Outturn 2010/11		Outturn 2011/12	Performance Standard 2011/12
<b>Quality</b>			
1	Number of complaints upheld relating to the execution of road policing court documents	Nil	Nil

Changes have been made to Police's outputs (increasing outputs from 4 to 14), as a result of the introduction of a new road safety strategy through to 2020, 'Safer Journeys'. The strategy itself consists of 12 areas of activity. The increase in outputs reported align to these specified areas of activity, as well as two areas of activity that is also funded through the Road Policing Programme.

## Output Expense Statement

### Road Safety Programme for the year ended 30 June 2012

2010/11 Actual \$000		2011/12 Actual \$000	2011/12 Main Estimates \$000	2011/12 Supplementary Estimates \$000
<b>Revenue</b>				
294,542	Revenue Crown	296,945	295,945	296,945
655	Revenue Department	648	1,063	1,063
-	Revenue Other	-	1,447	447
<b>295,197</b>	<b>Total Revenue</b>	<b>297,593</b>	<b>298,455</b>	<b>298,455</b>
<b>Expenses</b>				
226,677	Strategic Road Policing	-	231,288	-
7,551	Community Engagement on Road Safety	-	7,409	-
47,111	Road Policing Incident and Emergency Management	-	46,674	-
12,490	Road Policing Resolutions	-	13,084	-
-	- High Risk Drivers	85,926	-	85,334
-	- Young Drivers	-	-	-
-	- Motorcycling	-	-	-
-	- Alcohol / Drug Impaired	46,871	-	46,549
-	- Speed	71,456	-	84,436
-	- Restraint	13,343	-	13,251
-	- Heavy Vehicle Fleet	8,112	-	8,555
-	- Crash Attendance & Reporting	54,297	-	51,182
-	- Roads & Roadsides	1,194	-	1,186
-	- Light Vehicle Fleet	-	-	-
-	- Walking & Cycling	1,231	-	709
-	- Fatigue & Distraction	2,254	-	2,238
-	- Older Road Users	576	-	237
-	- Traffic Management	5,069	-	4,778
<b>293,829</b>	<b>Total Expenses</b>	<b>290,329</b>	<b>298,455</b>	<b>298,455</b>
<b>1,368</b>	<b>Net Surplus (Deficit)</b>	<b>7,264</b>	<b>-</b>	<b>-</b>



# Financial Statements

## Financial statements for the year ended 30 June 2012

### 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 2012.

#### 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, land 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 The Estimates of Appropriation 2011/12 and Information Supporting the Estimates 2011/12. 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 profit or loss in the period it is earned.

### Rental Income

Rental income is recognised in the profit or loss 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 profit or loss.

### 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.

### 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 profit or loss for the asset class, the gain is credited to profit or loss. 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 profit or loss.

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 profit or loss 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	10–25%
Vessels	6.5–25%
Furniture / fittings	10%
Motor vehicles	8–17%
Communication and computer assets	8–25%

The useful life and estimated residual value of motor vehicles are classified into three separate classes, sedans and station wagons, light commercial, and heavy vehicles. The weighted average depreciation rate across these classes is 13.5% (2011: 13.5%).

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 profit or loss 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 profit or loss 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.

## 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 profit or loss.

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 profit or loss.

## 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 profit or loss.

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 profit or loss. Gains or losses reported in profit or loss 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 profit or loss 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 profit or loss.

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 profit or loss.

For assets not carried at a revalued amount, the total impairment loss is recognised in profit or loss.

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 profit or loss, a reversal of the impairment loss is also recognised in profit or loss.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in profit or loss.

### 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 2007. 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 incidental to the ownership of the 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:

### • Revised standard, NZ IFRS 9 (2009)

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 2016.

### • Revised standard, NZ IFRS 9 (2010)

NZ IFRS 9 (2010) supersedes NZ IFRS 9 (2009).

The requirements for classifying and measuring financial liabilities were added to NZ IFRS 9 as issued in 2009. The existing NZ IAS 39 Financial Instruments: Recognition and Measurement requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Police expects to apply the new standard for the first time for the year ended 30 June 2016.

### • Amendments to NZ IFRS 7

These amendments remove the requirement for the restatement of comparative period financial statements upon initial application of the classification and measurement requirements of NZ IFRS 9.

Instead, the amendments introduce additional disclosures on transition from the classification and measurement requirements of NZ IAS 39 Financial Instruments: *Recognition and Measurement to those of NZ IFRS 9*.

For entities adopting NZ IFRS 9 from 2013 onwards, these disclosures are required even if they choose to restate the comparative figures for the effect of applying NZ IFRS 9.

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

## New standards, amendments and interpretations adopted for the year

### • 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: and
- 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.

#### • **Amendments to NZ IFRS 7**

These amendments emphasise the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

The Amendments to quantitative and credit risk disclosures are as follows:

- Clarify that only financial assets whose carrying amount does not reflect the maximum exposure to credit risk need to provide further disclosure of the amount that represents the maximum exposure to such risk.
- Require, for all financial assets, disclosure of the financial effect of collateral held as security and other credit enhancements regarding the amount that best represents the maximum exposure to credit risk (e.g., a description of the extent to which collateral mitigates credit risk).
- Remove the disclosure requirement of the collateral held as security, other credit enhancements and an estimate of their fair value for financial assets that are past due but not impaired, and financial assets that are individually determined to be impaired.
- Remove the requirement to specifically disclose financial assets renegotiated to avoid becoming past due or impaired.
- Clarify that the additional disclosure required for financial assets obtained by taking possession of collateral or other credit enhancements are only applicable to assets still held at the reporting date

The amendments to NZ IAS 1 clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

#### • **Amendments to NZ IFRS 7**

These amendments enhance the transparency of disclosure requirements for the transfer of financial assets.

For transferred financial assets that are derecognised in their entirety but where the entity has a continuing involvement in them, the amendments require disclosure

of information that enables users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.

For transferred financial assets that are not derecognised in their entirety, the amendments require disclosure of information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities.

All the information will need to be presented in a single note in an entity's financial statements.

#### • **FRS 44**

This new standard is a consequence of the joint Trans-Tasman Convergence project of the Australian Accounting Standards Board (AASB) and Financial reporting standards Board (FRSB).

This standard relocates New Zealand specific disclosures from other standards to one place and revises disclosures in the following areas:

- a) Compliance with NZ IFRS
- b) The statutory basis or reporting framework for financial statements
- c) Audit fees
- d) Imputation credits
- e) Reconciliation of net operating cash flow to profit (loss)
- f) Prospective financial statements
- g) Elements in the statement of service performance.

#### • **Amendments to NZ IFRS 1, 20, 28, 31, 34 and NZ IAS 7, 8, 12, 16 and 40**

These amendments are to Harmonise with IFRS and Australian Accounting Standards.

- a) Remove the disclosures which have been relocated to FRS 44
- b) Harmonise audit fee disclosure requirements in NZ IFRS 1 with AASB 101
- c) Harmonise imputation/ franking credits' disclosure requirements in NZ IAS 12 with AASB 101
- d) Introduce the option to use the indirect method of reporting cash flows in NZ IAS 7
- e) Introduce an accounting policy choice to use the cost model for investment property under NZ IAS 40
- f) Remove the requirement to use an independent valuer and the related disclosure requirements currently in NZ IAS 16 and NZ IAS 40
- g) Remove some NZ-specific disclosures.

- **Amendments to NZ IFRIC 14**

These amendments arise from the issuance of prepayments of a Minimum Funding Requirement (Amendments to NZ IFRIC 14). The requirements of NZ IFRIC 14 meant that some entities that were subject to minimum funding requirements could not treat any surplus in a defined benefit pension plan as an economic benefit.

The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.

## Statement of Appropriations for the Year Ended 30 June 2012

	Actual	Main Estimates	Changes during the year	Supplementary Estimates	Actual
	2012	2012	2012	2012	2011
	\$000	\$000	\$000	\$000	\$000
<b>Appropriations for Departmental Output Expenses</b>					
Policy Advice and Ministerial Servicing	3,104	3,173	(39)	3,134	3,105
General Crime Prevention Services	151,735	111,792	40,016	151,808	104,034
Specific Crime Prevention Services and Maintenance of Public Order	148,691	109,456	41,030	150,486	98,855
Police Primary Response Management	386,767	445,710	(57,002)	388,708	459,676
Investigations	370,242	401,256	(37,021)	364,235	402,504
Case Resolution and Support to Judicial Process	120,565	110,901	9,713	120,614	107,072
Road Safety Programme	290,329	298,455	-	298,455	293,829
<b>Total Appropriations for Departmental Output Expenses</b>	<b>1,471,433</b>	<b>1,480,743</b>	<b>(3,303)</b>	<b>1,477,440</b>	<b>1,469,075</b>
<b>Appropriations for Departmental Other Expenses</b>					
Compensation for Confiscated Firearms	-	10	-	10	-
<b>Total Departmental Appropriations for Other Expenses</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>
<b>Appropriation for Capital Contribution from the Crown</b>	<b>1,932</b>	<b>1,623</b>	<b>309</b>	<b>1,932</b>	<b>30,812</b>
<b>Appropriation for Capital Withdrawal by the Crown</b>	<b>(2,800)</b>	<b>-</b>	<b>(2,800)</b>	<b>(2,800)</b>	<b>-</b>
<b>Appropriation for Non- Departmental Other Expense Flows</b>					
Telecommunication Interception Capability	-	-	-	-	1,757
United Nations Drug Control Programme	100	100	-	100	100
<b>Total Non-Departmental Appropriations for Other Expenses</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>1,857</b>
<b>Appropriations for Non- Departmental Revenue Flows</b>					
<i>Non-Tax Revenue:</i>					
Infringement Fees	87,578	82,600	5,000	87,600	88,463
Sale of Unclaimed Property	411	500	(100)	400	305
Crown Revenue	100	100	-	100	1,857
Forfeit to Crown	93	-	-	-	56
Investment Income	33	-	-	-	23
<b>Total Appropriations for Non- Departmental Revenue</b>	<b>88,215</b>	<b>83,200</b>	<b>4,900</b>	<b>88,100</b>	<b>90,704</b>

The accompanying notes form part of the financial statements.

## Statement of Comprehensive Income for the Year Ended 30 June 2012

		Actual	Main	Supplementary	Actual
		2012	Estimates	Estimates	
	Note	\$000	2012	2012	2011
		\$000	\$000	\$000	\$000
<b>Revenue</b>					
Crown		1,450,253	1,455,469	1,450,253	1,456,461
Other Revenue	2	24,740	25,274	27,187	25,289
Interest		3	-	2	1
<b>Total Revenue</b>		<b>1,474,996</b>	<b>1,480,743</b>	<b>1,477,442</b>	<b>1,481,751</b>
<b>Expenditure</b>					
Personnel	3	1,058,199	1,058,460	1,059,840	1,041,069
Operating	4	265,035	265,681	263,914	286,866
Depreciation and amortisation expenses	6	77,897	85,238	77,624	76,823
Capital charge	7	70,301	71,394	70,446	64,317
<b>Total Operating Expenses</b>		<b>1,471,432</b>	<b>1,480,773</b>	<b>1,471,824</b>	<b>1,469,075</b>
Surplus (Deficit) from Outputs		3,564	(30)	5,618	12,676
Less: Other Expenses		-	(20)	(832)	-
<b>Net Surplus (Deficit)</b>		<b>3,564</b>	<b>(10)</b>	<b>6,450</b>	<b>12,676</b>
Other Comprehensive Income		(64,329)	-	(301)	(11,931)
<b>Total Comprehensive Income</b>		<b>(60,765)</b>	<b>(10)</b>	<b>6,149</b>	<b>745</b>

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 2012

	Notional Capital \$000	Revaluation Reserves \$000	Total \$000	Main Estimates \$000	Supplementary Estimates \$000
<b>Taxpayers' Funds as at 01 July</b>	<b>512,549</b>	<b>366,805</b>	<b>879,354</b>	<b>891,275</b>	<b>879,353</b>
Net surplus (deficit) for the year	3,564	-	3,564	(10)	6,450
Other Comprehensive Income	-	(64,329)	(64,329)	-	(301)
Transfer of Revaluation Reserve to Taxpayers' Funds on disposal of assets	20,625	(20,625)	-	-	-
<b>Total comprehensive income for the year</b>	<b>24,189</b>	<b>(84,954)</b>	<b>(60,765)</b>	<b>(10)</b>	<b>6,149</b>
<b>Transactions with owners in their capacity as owners</b>					
Provision for repayment of surplus to Crown	(3,564)	-	(3,564)	-	(6,450)
Capital Contribution	1,932	-	1,932	1,623	1,932
Capital Withdrawal	(2,800)	-	(2,800)	-	(2,800)
<b>Total Transactions with owners in their capacity as owners</b>	<b>(4,432)</b>	<b>-</b>	<b>(4,432)</b>	<b>1,623</b>	<b>(7,318)</b>
<b>Total Taxpayers' Funds as at 30 June</b>	<b>532,306</b>	<b>281,851</b>	<b>814,157</b>	<b>892,888</b>	<b>878,184</b>

## Statement of Movements in Taxpayers' Funds for the Year Ended 30 June 2011

	Notional Capital \$000	Revaluation Reserves \$000	Total \$000	Main Estimates \$000	Supplementary Estimates \$000
<b>Taxpayers' Funds as at 01 July</b>	<b>481,737</b>	<b>378,736</b>	<b>860,473</b>	<b>861,706</b>	<b>860,473</b>
Net surplus (deficit) for the year	12,676	-	12,676	(10)	(10)
Other Comprehensive Income	-	(11,931)	(11,931)	-	-
<b>Total comprehensive income for the year</b>	<b>12,676</b>	<b>(11,931)</b>	<b>745</b>	<b>(10)</b>	<b>(10)</b>
<b>Transactions with owners in their capacity as owners</b>					
Provision for repayment of surplus to Crown	(12,676)	-	(12,676)	-	-
Capital Contribution	30,812	-	30,812	30,812	30,812
<b>Total Transactions with owners in their capacity as owners</b>	<b>18,136</b>	<b>-</b>	<b>18,136</b>	<b>30,812</b>	<b>30,812</b>
<b>Total Taxpayers' Funds as at 30 June</b>	<b>512,549</b>	<b>366,805</b>	<b>879,354</b>	<b>892,508</b>	<b>891,275</b>

The accompanying notes form part of the financial statements.

## Statement of Financial Position as at 30 June 2012

		Actual	Main	Supplementary	Actual
		2012	Estimates	Estimates	2011
	Note	\$000	\$000	\$000	\$000
<b>Assets</b>					
<b>Current Assets</b>					
Cash		35,073	30,000	30,000	44,125
Accounts Receivable	9	282,213	200,924	290,893	276,273
Prepayments		6,909	6,410	8,450	8,030
Inventories	10	51	536	536	222
<b>Total Current Assets</b>		<b>324,246</b>	<b>237,870</b>	<b>329,879</b>	<b>328,650</b>
<b>Non-Current Assets</b>					
Property, Plant and Equipment	11	844,824	1,005,045	923,110	910,121
Intangibles	12	33,785	40,467	32,009	33,798
<b>Total Non-Current assets</b>		<b>878,609</b>	<b>1,045,512</b>	<b>955,119</b>	<b>943,919</b>
<b>Total Assets</b>		<b>1,202,855</b>	<b>1,283,382</b>	<b>1,284,998</b>	<b>1,272,569</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	13	94,613	83,368	96,987	91,840
Other Accrued Expenses	14	9,803	12,124	12,124	11,986
Employee Entitlements	15	144,973	160,002	152,953	148,383
Provision for Repayment of Surplus to the Crown		3,564	-	6,450	12,676
<b>Total Current Liabilities</b>		<b>252,953</b>	<b>255,494</b>	<b>268,514</b>	<b>264,885</b>
<b>Non-Current Liabilities</b>					
Employee Entitlements	15	135,745	135,000	138,300	128,330
<b>Total Non-Current Liabilities</b>		<b>134,745</b>	<b>135,000</b>	<b>138,300</b>	<b>128,330</b>
<b>Total Liabilities</b>		<b>388,698</b>	<b>390,494</b>	<b>406,814</b>	<b>393,215</b>
<b>Net Assets</b>		<b>814,157</b>	<b>892,888</b>	<b>878,184</b>	<b>879,354</b>
<b>Taxpayers' Funds</b>					
General Funds		532,306	514,152	511,681	512,549
Property, Plant and Equipment Revaluation Reserves		281,851	378,736	366,503	366,805
<b>Total Taxpayers' Funds</b>	<b>16</b>	<b>814,157</b>	<b>892,888</b>	<b>878,184</b>	<b>879,354</b>

The accompanying notes form part of the financial statements.

## Statement of Cash Flows for the Year Ended 30 June 2012

		Actual	Main	Supplementary	Actual
		2012	Estimates	Estimates	2011
Note		\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>					
<b>Cash provided from:</b>					
Supply of Outputs to:					
- Crown		1,443,737	1,482,736	1,435,315	1,414,253
- Others		25,442	25,568	27,294	23,308
		<b>1,469,179</b>	<b>1,508,304</b>	<b>1,462,609</b>	<b>1,437,561</b>
<b>Cash was applied to:</b>					
Produce outputs:					
- Personnel		(1,041,134)	(1,046,502)	(1,032,314)	(1,041,139)
- Operating		(275,033)	(265,107)	(271,745)	(276,869)
- Capital Charge		(70,301)	(71,394)	(70,446)	(64,317)
- Other Expenses		-	(10)	-	-
		<b>(1,386,468)</b>	<b>(1,383,013)</b>	<b>(1,374,505)</b>	<b>(1,382,325)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>17</b>	<b>82,711</b>	<b>125,291</b>	<b>88,104</b>	<b>55,236</b>
<b>Cash Flows from Investing Activities:</b>					
<b>Cash provided from:</b>					
Interest Income		3	-	2	1
Sale of Non-Current Assets		7,882	1,000	17,063	3,588
<b>Cash was applied to:</b>					
Purchase of Property, Plant & Equipment		(71,131)	(111,057)	(92,874)	(69,588)
Purchase of Intangible Assets		(14,973)	(16,857)	(12,876)	(12,703)
<b>Net Cash Flows from Investing Activities</b>		<b>(78,219)</b>	<b>(126,914)</b>	<b>(88,685)</b>	<b>(78,702)</b>
<b>Cash Flows from Financing Activities</b>					
<b>Cash provided from:</b>					
Capital Contribution		1,932	1,623	1,932	30,812
<b>Cash was applied to:</b>					
Capital Withdrawal		(2,800)	-	(2,800)	-
Repayment of Surplus to the Crown		(12,676)	-	(12,676)	-
<b>Net Cash Flows from Financing Activities</b>		<b>(13,544)</b>	<b>1,623</b>	<b>(13,544)</b>	<b>30,812</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(9,052)</b>	<b>-</b>	<b>(14,125)</b>	<b>7,346</b>
Add Opening Cash		44,125	30,000	44,125	36,779
		<b>35,073</b>	<b>30,000</b>	<b>30,000</b>	<b>44,125</b>
<b>Cash Balance Consists of:</b>					
Cash at Bank		33,959	29,785	28,950	42,999
Petty Cash		836	110	800	859
Overseas Posts		278	105	250	267
<b>Total Cash</b>		<b>35,073</b>	<b>30,000</b>	<b>30,000</b>	<b>44,125</b>

During the period, Police did not acquire any property, plant and equipment by means of finance lease (2011: nil).

The accompanying notes form part of the financial statements.

## Statement of Unappropriated Expenditure for the Year Ended 30 June 2012

Output Expense	Actual \$000	Authority at time of Breach \$000	Unappropriated Expenditure \$000
<b>2012</b>			
General Crime Prevention Services *	136,950	111,279	25,671
Specific Crime Prevention Services and Maintenance of Public Order *	135,758	110,794	24,964
Investigations	370,242	364,235	6,007
<b>2011</b>			
Police Primary Response Management	459,676	457,370	2,306

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

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

\* Police sought Joint Ministers approval to update their output costing approach during 2011/12. The authority was signed off in April 2012; however it omitted to seek Imprest Supply authority. Subsequent Joint Ministers approval seeking Imprest Supply Authority was signed off in May 2012.

### Net Assets

Section 22 of the Public Finance Act 1989 requires that the net asset holding of a department must not exceed the most recent projected balance of net assets for that department as set out in an Appropriation Act, except where Ministers agree a surplus may be retained or where assets or liabilities have been remeasured. Police have breached this requirement during the year by \$0.010 million, relating to the "departmental other expenses" appropriation: Compensation for Confiscated Firearms.

	Net Asset Authority at time of breach \$000	Net Assets at time of breach \$000	Amount in excess of Net Asset balance \$000
<b>2012</b>			
Net Asset holding	890,096	890,106	10
<b>2011</b>			
Net Asset holding	891,275	891,285	10

The accompanying notes form part of the financial statements.

## Statement of Trust Monies for the Year Ended 30 June 2012

	Opening Balance \$000	Capital Increase \$000	Capital Distribution \$000	Closing Balance \$000
Bequests, Donations and Appeals	81	62	(74)	69
Reparation	10	3	(3)	10
Money in Custody	9,991	5,225	(3,158)	12,058
Found Money	50	97	(93)	54
<b>Total</b>	<b>10,132</b>	<b>5,387</b>	<b>(3,328)</b>	<b>12,191</b>

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 2012

### Contingent Liabilities

	Actual 2012 \$000	Actual 2011 \$000
Legal Proceedings and Disputes	505	1,344
Personal Grievances	24	26
	<b>529</b>	<b>1,370</b>

### 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 at 30 June 2012 (2011: \$nil).

The accompanying notes form part of the financial statements.

## Statement of Commitments as at 30 June 2012

### 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.

	Actual 2012 \$000	Actual 2011 \$000
<b>Capital Commitments</b>		
<b>Works</b>		
Less than One Year	33,017	1,215
<b>Total works</b>	<b>33,017</b>	<b>1,215</b>
<b>Plant &amp; Equipment</b>		
Less than One Year	2,304	366
<b>Total Plant &amp; Equipment</b>	<b>2,304</b>	<b>366</b>
<b>Motor Vehicles</b>		
Less than One Year	3,180	2
<b>Total Motor Vehicles</b>	<b>3,180</b>	<b>2</b>
<b>Total Capital Commitments</b>	<b>38,501</b>	<b>1,583</b>
<b>Operating</b>		
<b>Accommodation Leases</b>		
Less than One Year	16,624	16,006
One to Two Years	14,661	13,496
Two to Five Years	39,263	36,907
Greater than Five Years	23,097	33,413
<b>Other Non-Cancellable Leases</b>		
Less than One Year	3,341	5,110
One to Two Years	1,652	2,312
Two to Five Years	2,164	1,385
Greater than Five Years	139	-
<b>Total Leases</b>	<b>100,941</b>	<b>108,629</b>
<b>Total Commitments</b>	<b>139,442</b>	<b>110,212</b>

The accompanying notes form part of the financial statements.

## Notes to the Financial Statements for the Year Ended 30 June 2012

### 1. Budget Composition

	Main Estimates \$000	Supplementary Estimates Changes \$000	Budget Total \$000
<b>Revenue</b>			
Crown	1,455,469	(5,216)	1,450,253
Other	25,274	1,913	27,187
Interest	-	2	2
Gains on Sale of Non-current assets	-	789	789
<b>Total Revenue</b>	<b>1,480,743</b>	<b>(2,512)</b>	<b>1,478,231</b>
<b>Expenditure</b>			
Personnel	1,058,460	1,380	1,059,840
Operating	265,651	(1,780)	263,871
Depreciation and Amortisation Expenses	85,238	(7,614)	77,624
Capital Charge	71,394	(948)	70,446
<b>Total Output Operating Expenses</b>	<b>1,480,743</b>	<b>(8,962)</b>	<b>1,471,781</b>
Surplus (Deficit) from Outputs	-	6,450	6,450
Less: Other Expenses	10	(10)	-
<b>Net Surplus (Deficit)</b>	<b>(10)</b>	<b>6,460</b>	<b>6,450</b>

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

#### Crown Revenue

- Increase in funding for Criminal Procedure (Reform and Modernisation) Bill \$1.135 million [DOM Min (11)182]
- Increase in funding for Road Policing Programme Variation for Police Mobility Technology Expansion \$1.000 million
- Increase in funding for Development of a detailed business case for a Whole of Government Radio Network \$500,000 [ECC (10) 63]
- Expense transfer for software modification to Police breath screening devices from 2010/11 to 2011/12 \$200,000
- Expense transfer of \$456,000 from 2011/12 to 2012/13 for implementation of Criminal Procedure (Reform and Modernisation) Bill [CAB Min (11) 37/7]
- Expense transfer of \$579,000 from 2011/12 to 2012/13 from the implementation funding of Criminal Investigations (Bodily Samples) Amendment Act 2009
- Retention of Underspend, transfer from 2011/12 to 2012/13 \$7.000 million.

#### Other Revenue

- Increase in funding from Ministry of Foreign Affairs and Trade, International Development Group for overseas deployments to:
  - United Nations Mission to Timor-Leste \$999,000 [CBC Min (11) 6/13]
  - Tonga Police Development Project \$911,000
  - Cook Islands Bilateral Programme \$390,000
  - Pacific Transnational Crime Coordination Centre – Apia \$155,000
- decrease in funding of \$600,000 for the Papua New Guinea Programme Bougainville Community Policing project.

## 2. Other Revenue

	Actual 2012 \$000	Actual 2011 \$000
Arms Licences	1,604	1,607
Chargeable Police Services	3,688	3,570
Department of Corrections Remand Prisoners	82	211
Overseas Deployments	10,989	10,951
Pacific Island Chiefs of Police Secretariat Support	830	669
Pacific Peoples Domestic Violence Programme	843	1,109
Property Rentals	1,533	1,305
State Sector Retirement Superannuation Scheme: SSC Contribution	3,208	3,270
The Royal NZ Police College: Catering Facility Hire and Non-Police Training	503	413
Other	1,460	2,184
<b>Total Other Revenue</b>	<b>24,740</b>	<b>25,289</b>

## 3. Personnel

	Actual 2012 \$000	Actual 2011 \$000
Accident Compensation Costs	4,620	7,804
Fringe Benefit Tax	2,525	1,389
Salaries/Wages	915,359	903,346
Staff Insurance	1,898	1,859
Staff Recruitment	201	279
Staff Transport Assistance	522	606
Superannuation	108,484	105,971
Training	2,406	3,997
Transfer/Removal Expenses	2,479	2,097
Increase in Employee Entitlements	15,530	12,765
Other	4,175	956
<b>Total Personnel</b>	<b>1,058,199</b>	<b>1,041,069</b>



#### 4. Operating

	Actual 2012 \$000	Actual 2011 \$000
Audit Fees	306	302
Other Fees Paid to Auditor *	57	11
Bad Debt Expenses	-	5
Changes in Doubtful Debt Provision	53	17
Clothing, Equipment and Consumables	24,282	26,184
Communications	17,829	18,828
Computer Charges	29,182	27,054
Computer Leasing Expenses	5,060	5,112
Equipment Rental	1,343	1,777
ESR Forensic Science Services	22,474	21,388
Foreign Exchange Rate (Gain)/Loss	(70)	(56)
(Profit)/Loss on Sale of Non-Current Assets (Note 5)	415	634
Other Operating Expenses	12,121	10,908
Physical Assets Write-offs	31	3,429
Printing	8,937	9,601
Professional Services	26,003	33,179
Legal Expenses	3,996	2,933
Prof Services -Non Government Organisations	2,789	3,471
Property Rentals	21,360	20,549
Property Utilities, Rates and Maintenance	30,550	32,070
Third Party Expenses	3,590	4,159
Travel	17,311	24,623
Vehicle/ Aircraft/ Launch Rentals	5,361	7,265
Vehicle Expenses	32,055	33,423
<b>Total Operating</b>	<b>265,035</b>	<b>286,866</b>

\*Note: during the year \$17,903 was paid to Ernst & Young for the review of the updated output costing model and \$39,375 for the review of the Whole of Government Radio Network Stage One Business Case.

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

	Actual 2012 \$000	Actual 2011 \$000
Disposal of Land and Buildings	1,022	768
Sale of Motor Vehicles and Launches	(388)	(134)
Write-off Buildings and Fitout as a Result of Revaluation	(219)	-
<b>(Gain)/Loss on Sale of Non-Current Assets</b>	<b>415</b>	<b>634</b>

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

Address	(Gain) Loss \$000
5 Cyde & 91-97 Cameron Street, Whangarei	810
3 Garfield Street, Auckland	(25)
351-361 Church Street, Palmerston North	265
25 Westbelt, Lincoln	(28)
	<b>1,022</b>

During the year Police did not write off any buildings and fitouts. (2011: \$3.429 million).  
Leased motor vehicles were written off on termination of their respective leases.

Write offs	Loss \$000
Motor Vehicles	26
Equipment & Computer Equipment	5
	<b>31</b>

## 6. Depreciation & Amortisation of Intangibles

	Actual 2012 \$000	Actual 2011 \$000
Buildings	20,804	19,569
Plant and Equipment, Computer Equipment and Communication Assets	25,496	25,014
Vessels	586	587
Furniture and Fittings	869	703
Motor Vehicles	15,156	17,307
Amortisation of Intangibles	14,986	13,643
<b>Total Depreciation</b>	<b>77,897</b>	<b>76,823</b>

## 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 2012 was 8.0% (2011: 7.5%).

## 8. Other Expenses

	Actual 2012 \$000	Actual 2011 \$000
Compensation for Confiscated Firearms	-	-
<b>Total Other Expenses</b>	<b>-</b>	<b>-</b>

## 9. Accounts Receivable

	Actual 2012 \$000	Actual 2011 \$000
Trade Debtors	1,894	2,689
Sundry Debtors and Employee Debt	4,150	3,878
Less: Provision for Doubtful Debts	(829)	(776)
Net Debtors	5,215	5,791
Debtor Crown	276,998	270,482
<b>Total Accounts Receivable</b>	<b>282,213</b>	<b>276,273</b>

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

As at 30 June 2012 and 30 June 2011, all overdue receivables have been assessed for impairment and appropriate provision applied, as detailed below:

	2012			2011		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Past due	5,215	-	5,215	5,791	-	5,791
Overdue 180 days	829	829	-	776	776	-
<b>Total</b>	<b>6,044</b>	<b>829</b>	<b>5,215</b>	<b>6,567</b>	<b>776</b>	<b>5,791</b>

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 2012 \$000	Actual 2011 \$000
Balance at 1 July	776	759
Additional provisions made during the year	53	22
Debts written off during the period	-	(5)
<b>Total</b>	<b>829</b>	<b>776</b>

## 10. Inventories

	Actual 2012 \$000	Actual 2011 \$000
Accoutrements/ Other	51	222
<b>Total Inventories</b>	<b>51</b>	<b>222</b>

The carrying value of inventories held for distribution at 30 June 2012 is \$nil (2011: \$nil).

The write down of inventories held for distribution was \$nil (2011: \$nil).

No inventories are pledged as securities for liabilities.

## 11. Property, Plant & Equipment

As at 30 June 2012:

Cost: \$000's	Land	Buildings	Furniture & Fittings	Plant, Equip, Computer & Comm. Assets	Motor Vehicles	Vessels	Capital Work in Progress	Total
<b>Opening Balance</b>	<b>169,104</b>	<b>588,584</b>	<b>19,794</b>	<b>277,968</b>	<b>130,949</b>	<b>7,654</b>	<b>38,448</b>	<b>1,232,501</b>
Additions	-	9,599	1,071	6,282	20,625	-	43,236	80,813
Revaluations	2,884	(67,213)	-	-	-	-	-	(64,329)
Disposals and Transfers	(3,767)	7,286	803	4,467	(17,510)	-	(29,983)	(38,704)
<b>Closing Balance</b>	<b>168,221</b>	<b>538,256</b>	<b>21,668</b>	<b>288,717</b>	<b>134,064</b>	<b>7,654</b>	<b>51,701</b>	<b>1,210,281</b>
<b>Accumulated Depreciation:</b>								
<b>Opening Balance</b>	<b>-</b>	<b>42,490</b>	<b>14,721</b>	<b>193,325</b>	<b>70,082</b>	<b>1,762</b>	<b>-</b>	<b>322,380</b>
Depreciation for the year	-	20,804	869	25,496	15,156	586	-	62,911
Disposals and Transfers	-	(25)	(53)	(5,376)	(14,380)	-	-	(19,834)
<b>Closing Balance</b>	<b>-</b>	<b>63,269</b>	<b>15,537</b>	<b>213,445</b>	<b>70,858</b>	<b>2,348</b>	<b>-</b>	<b>365,457</b>
<b>Closing Book Value</b>	<b>168,221</b>	<b>474,987</b>	<b>6,131</b>	<b>75,272</b>	<b>63,206</b>	<b>5,306</b>	<b>51,701</b>	<b>844,824</b>

As at 30 June 2011:

Cost: \$000's	Land	Buildings	Furniture & Fittings	Plant, Equip, Computer & Comm. Assets	Motor Vehicles	Vessels	Capital Work in Progress	Total
<b>Opening Balance</b>	<b>169,284</b>	<b>586,649</b>	<b>18,351</b>	<b>230,602</b>	<b>124,510</b>	<b>5,950</b>	<b>61,608</b>	<b>1,196,954</b>
Additions	700	8,497	755	25,546	16,633	150	22,928	75,209
Disposals and Transfers	(880)	(6,562)	688	21,820	(10,194)	1,554	(46,088)	(39,662)
<b>Closing Balance</b>	<b>169,104</b>	<b>588,584</b>	<b>19,794</b>	<b>277,968</b>	<b>130,949</b>	<b>7,654</b>	<b>38,448</b>	<b>1,232,501</b>
<b>Accumulated Depreciation:</b>								
<b>Opening Balance</b>	-	<b>23,286</b>	<b>14,209</b>	<b>171,999</b>	<b>61,156</b>	<b>3,189</b>	-	<b>273,839</b>
Depreciation for the year	-	19,569	703	25,012	17,307	588	-	63,179
Disposals and Transfers	-	(365)	(191)	(3,686)	(8,381)	(2,015)	-	(14,638)
<b>Closing Balance</b>	-	<b>42,490</b>	<b>14,721</b>	<b>193,325</b>	<b>70,082</b>	<b>1,762</b>	-	<b>322,380</b>
<b>Closing Book Value</b>	<b>169,104</b>	<b>546,094</b>	<b>5,073</b>	<b>84,643</b>	<b>60,867</b>	<b>5,892</b>	<b>38,448</b>	<b>910,121</b>

Land and buildings were revalued at fair value as at 30 June 2012 by Police and this valuation has been independently certified by Ceri Bain, a registered valuer on behalf of Beca Valuation Ltd.

The total amount of Property, Plant and Equipment in the course of construction is \$51.701 million (2011: \$38.448 million). The net carrying amount of Office Equipment held under finance lease is \$nil (2011: \$nil).

No impairment losses have been recognised in 2012 (2011: \$nil).

#### Restrictions to Titles of Non-Current Assets

As at 30 June 2012 Land and Buildings of which Police has possession and use, but for which legal title is not completely established, amounted to \$11.288 million (2011: \$11.450 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 2012 \$000	Actual 2011 \$000
<b>Cost</b>		
Opening Balance	106,601	93,898
Additions	4,433	7,259
Disposals and transfers	10,540	5,444
<b>Balance at 30 June</b>	<b>121,574</b>	<b>106,601</b>
<b>Accumulated Amortisation and Impairment Losses</b>		
Opening Balance	72,803	59,159
Amortisation during the year	14,986	13,643
Disposals & transfers	-	1
<b>Balance at 30 June</b>	<b>87,789</b>	<b>72,803</b>
<b>Closing Book Value</b>	<b>33,785</b>	<b>33,798</b>

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

## 13. Accounts Payable

	Actual 2012 \$000	Actual 2011 \$000
Trade Creditors	16,103	12,938
Accrued Expenses and Provisions	55,041	50,729
PAYE Payable	9,471	9,440
GST Payable	13,998	18,733
<b>Total Accounts Payable</b>	<b>94,613</b>	<b>91,840</b>

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 2012 \$000	Actual 2011 \$000
Sponsorship Reserve	116	102
Accident Compensation and Accredited Employer Programme Provisions	9,687	11,884
<b>Total Other Accrued Expenses</b>	<b>9,803</b>	<b>11,986</b>

## 15. Employee Entitlements

	Actual 2012 \$000	Actual 2011 \$000
<b>Current Liabilities</b>		
Accrued Salaries and Wages	149	140
Annual Leave	117,387	120,606
Long Service Leave	12,906	13,364
Sick Leave	517	522
Shift Leave	14,014	13,751
<b>Total Current Portion</b>	<b>144,973</b>	<b>148,383</b>
<b>Non-Current Liabilities</b>		
Long Service Leave	132,688	125,700
Sick Leave	3,057	2,630
<b>Total Non-Current Portion</b>	<b>135,745</b>	<b>128,330</b>
<b>Total Employee Entitlements</b>	<b>280,718</b>	<b>276,713</b>

An independent actuarial valuation was undertaken by Aon Consulting New Zealand Ltd as at 30 June 2012 to estimate the present value of long service leave liabilities.

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 \$8.300 million. If the salary inflation factor were to decrease by 1%, the liability would decrease by \$7.470 million.

## 16. Taxpayers' Funds

	Actual 2012 \$000	Actual 2011 \$000
<b>General Funds</b>		
General Funds Balance at 1 July	512,549	481,737
Transfer of Revaluation Reserve to Taxpayers' Funds on disposal of assets	20,625	-
<b>Taxpayers' Funds at 1 July</b>	<b>533,174</b>	<b>481,737</b>
Net Surplus (Deficit) for the year	3,564	12,676
Capital Contribution	1,932	30,812
Capital Withdrawal	(2,800)	-
Asset Revaluation Reserve	281,851	366,805
	<b>817,721</b>	<b>892,030</b>
Repayment of Surplus to the Crown	(3,564)	(12,676)
<b>General Funds as at 30 June</b>	<b>814,157</b>	<b>879,354</b>

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

	Actual 2012 \$000	Actual 2011 \$000
<b>Net Surplus (Deficit)</b>	<b>3,564</b>	<b>12,676</b>
<b>Add (less) Non-Cash Items</b>		
Depreciation and Amortisation Expenses	77,897	76,823
Fixed Assets write off	31	3,429
<b>Total Non-Cash items</b>	<b>77,928</b>	<b>80,252</b>
<b>Add (Less) Items Classified as Investing or Financing Activities:</b>		
Gains (Losses) on disposal of Property, Plant and Equipment	415	634
Interest	(3)	(1)
<b>Net Investing or Financing Activities</b>	<b>412</b>	<b>633</b>
<b>Add (Less) Movements in Working Capital Items:</b>		
Increase (Decrease) in Accounts Payable	3,633	16,551
(Increase) Decrease in Accounts Receivable	576	(304)
Increase (Decrease) in Employee Entitlements	4,005	(9,518)
(Increase) Decrease in Debtor Crown	(6,516)	(43,841)
(Increase) Decrease in Inventories	171	314
(Increase) Decrease in Prepayments	1,121	(1,873)
Increase (Decrease) in Other Accrued Expenses	(2,183)	346
<b>Net Working Capital Movements</b>	<b>807</b>	<b>(38,325)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>82,711</b>	<b>55,236</b>

## 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 2012 \$000	Actual 2011 \$000
Salaries and other short term employee benefits	7,732	6,073
Other long-term benefits	1,729	1,033
Termination Benefits	-	847
<b>Total Compensation</b>	<b>9,461</b>	<b>7,953</b>

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 0.86% (2011: 0.83%) of Vote Police.

## 21. 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 2012, resulting in a provision for work-related accidents of \$2.751 million (2011: \$3.347 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 2012 is \$7.503 million (2011 \$3.304 million).

	Balance at the Beginning of the Year	Amount Used	Additional Amount	Balance at End of Year
	\$000	\$000	\$000	\$000
Work Related Accidents	3,347	(3,347)	2,751	2,751
Provision for Personnel contract settlement	3,304	(3,207)	7,406	7,503
<b>Total Provisions</b>	<b>6,651</b>	<b>(6,554)</b>	<b>10,157</b>	<b>10,254</b>

## 22. Financial Instrument Risk

Police's activities expose it to a variety of financial 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 2012. 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
<b>2012</b>				
Creditors and payables	92,181	1,245	1,208	(21)
<b>2011</b>				
Creditors and payables	90,711	151	636	342

## 23. 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 2012 \$000	Actual 2011 \$000
<b>Loans and Receivables</b>		
Cash and Cash Equivalents	35,073	44,125
Debtors and Other Receivables (Note 9)	282,213	276,273
<b>Total Loans and Receivables</b>	<b>317,286</b>	<b>320,398</b>
<b>Financial Liabilities Measured at Amortised Cost</b>		
Creditors and Other Payables (Note 13)	94,613	91,840
<b>Total Financial Liabilities</b>	<b>94,613</b>	<b>91,840</b>

## 24. Post Balance Date Events

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

## 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 2011/12 Crown Financial statements. Non-departmental accounting policies are consistent with departmental accounting policies.

### Schedule of Revenue and Expenses for the Year Ended 30 June 2012


	Actual	Main Estimates	Supplementary Estimates	Actual
	2012	2012	2012	2011
	\$000	\$000	\$000	\$000
<b>Revenue</b>				
Non-Tax revenue:				
Infringement Fees	87,578	82,600	87,600	88,463
Sale of Unclaimed Property	411	500	400	305
Crown Revenue	100	100	100	1,857
Forfeit to Crown	93	-	-	56
Investment Income	33	-	-	23
<b>Total Non-Departmental Revenue</b>	<b>88,215</b>	<b>83,200</b>	<b>88,100</b>	<b>90,704</b>
<b>Expenses</b>				
Telecommunication Interception Capability	-	-	-	1757
United Nations Drug Control Programme	100	100	100	100
<b>Total Non-Departmental Expenses</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>1,857</b>
<b>Net Surplus</b>	<b>88,115</b>	<b>83,100</b>	<b>88,000</b>	<b>88,847</b>

### Schedule of Assets and Liabilities as at 30 June 2012

	Actual	Main Estimates	Supplementary Estimates	Actual
	2012	2012	2012	2011
	\$000	\$000	\$000	\$000
<b>Current Assets</b>				
Cash	1,569	206	247	316
Accounts Receivable	4,593	100	-	4,593
<b>Total Non-Departmental Assets</b>	<b>6,162</b>	<b>306</b>	<b>247</b>	<b>4,909</b>
Accounts Payable	4,662	100	-	4,662
Funds held on behalf of Crown	1,500	206	247	247
<b>Total Non-Departmental Liabilities</b>	<b>6,162</b>	<b>306</b>	<b>247</b>	<b>4,909</b>

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 2012.

## Audit report



**ERNST & YOUNG** Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

**TO THE READERS OF  
NEW ZEALAND POLICE'S  
FINANCIAL STATEMENTS AND NON-FINANCIAL PERFORMANCE INFORMATION  
AND SCHEDULES OF NON-DEPARTMENTAL ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2012**

The Auditor-General is the auditor of New Zealand Police (the Department). The Auditor-General has appointed me, Marcus Henry, using the staff and resources of Ernst & Young to carry out the audit of the financial statements, and the non-financial performance information and the schedules of non-departmental activities of the Department on her behalf.

We have audited:

- the financial statements of the Department on pages 56 to 83, that comprise the statement of financial position, statement of commitments and statement of contingent liabilities and contingent assets as at 30 June 2012, the statement of comprehensive income, statement of movements in taxpayers funds, statement of appropriations, statement of unappropriated expenditure and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Department that comprises the statement of service performance on pages 36 to 55 and the report about outcomes on pages 9 to 25; and
- the schedules of non-departmental activities of the Department on pages 69 and 83 that comprise the schedule of assets and liabilities as at 30 June 2012, the schedule of revenue and expenses and statement of trust monies for the year ended on that date and the notes to the schedules that include accounting policies and other explanatory information.

**Opinion**

In our opinion:

- the financial statements of the Department on pages 56 to 83:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Department's:
    - financial position as at 30 June 2012;
    - financial performance and cash flows for the year ended on that date;
    - expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2012; and
    - unappropriated expenses for the year ended 30 June 2012;
- the non-financial performance information of the Department on pages 9 to 25 and 36 to 55:
  - complies with generally accepted accounting practice in New Zealand; and



- fairly reflects the Department's service performance and outcomes for the year ended 30 June 2012, including for each class of outputs:
  - its service performance compared with the forecasts in the statement of forecast service performance at the start of the financial year; and
  - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year;
- the schedules of non-departmental activities of the Department on page 69 and 83, fairly reflect:
  - the assets, liabilities and trust monies as at 30 June 2012 managed by the Department on behalf of the Crown; and
  - the revenues and expenses against appropriations for the year ended on that date managed by the Department on behalf of the Crown.

Our audit was completed on 28 September. This 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 our responsibilities, and we explain our independence.

#### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the non-financial performance information and the schedules of non-departmental activities are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the non-financial performance information and the schedules of non-departmental activities. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, and the non-financial performance information and the schedules of non-departmental activities, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Department's preparation of the financial statements and the non-financial performance information and the schedules of non-departmental activities that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Commissioner;





- the appropriateness of the reported non-financial performance information within the Department's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and the non-financial performance information and the schedules of non-departmental activities; and
- the overall presentation of the financial statements and the non-financial performance information and the schedules of non-departmental activities.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the non-financial performance information and the schedules of non-departmental activities. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### **Responsibilities of the Commissioner**

The Commissioner is responsible for preparing:

- financial statements and non-financial performance information that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the Department's financial position, financial performance, cash flows, expenses and capital expenditure incurred against each appropriation and its unappropriated expenses and capital expenditure; and
  - fairly reflect its service performance and outcomes; and
- schedules of non-departmental activities, in accordance with the Treasury Instructions 2011 that:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect those activities managed by the Department on behalf of the Crown.

The Commissioner is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and non-financial performance information and schedules of non-departmental activities that are free from material misstatement, whether due to fraud or error.

The Commissioner's responsibilities arise from the Public Finance Act 1989.

#### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and the non-financial performance information and the schedules of non-departmental activities and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.



Chartered Accountants

**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 other assurance and advisory assignments which are compatible with those independence requirements.

Other than the audit and these assignments, we have no relationship with or interests in the Department.



Marcus Henry  
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, statement of service performance and schedules of non-departmental activities of New Zealand Police for the year ended 30 June 2012 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, statement of service performance and schedules of non-departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and schedules of non-departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non-departmental activities. 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, statement of service performance and schedules of non-departmental activities as well as the related audit report dated 28 September 2012 to confirm the information included in the audited financial statements, statement of service performance and schedules of non-departmental activities presented on this website.

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



# Information Required by Statute

## Interception Warrants

In accordance with the provision of section 29 of the Misuse of Drugs Amendment Act 1978, the information in Table 23 is provided.

**Table 23: Interception Warrants, 2009/10–2011/12 (under the Misuse of Drugs Act 1975)**

Section 14 (Interception Warrants)	2009/10	2010/11	2011/12 (to 17 April 2012)
Number of applications made	83	18	31
Number of applications granted	83	18	31
Number of applications refused	Nil	Nil	Nil
Number of persons warrants*	49	17	30
Number of premises warrants	20	1	5
Number of warrants which authorised entry onto private premises	32	10	26
Average duration of warrants including renewals (days)**	26	27	21
Number of persons prosecuted	142	65	111
Number of persons convicted	21	5	21
Number of persons still under prosecution	121	59	90
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	2010/11	2011/12 (to 17 April 2012)
Number of applications made	3	5	6
Number of applications granted	3	5	6
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	3	5	6
Number of premises warrants	Nil	1	1
Number of warrants which authorised entry onto private premises	Nil	4	1
Average duration of warrants including renewals (days)	30	26	23
Number of persons prosecuted	266	24	28
Number of persons convicted	21	9	6



Number of persons still under prosecution	245	15	22
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
<b>Section 18 (Renewal of Warrants)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of applications made	Nil	1	Nil
Number of applications granted	Nil	1	Nil
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	Nil	1	Nil
Number of premises warrants	Nil	1	Nil
Number of warrants which authorised entry onto private premises	Nil	1	Nil
<b>Section 19 (Emergency Permits)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of applications made	1	Nil	3
Number of applications granted	1	Nil	3
Number of applications refused	Nil	Nil	Nil
Number of Interceptions recorded	113	Nil	1,614

#### Notes

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

\*\* Duration is the actual duration of interception, not the duration granted.

In accordance with the provisions of section 312Q of the Crimes Act 1961, the information in Table 24 is provided.

**Table 24: Interception Warrants (under the Crimes Act 1961), 2009/10–2011/12**

<b>Section 312B (Interception Warrants)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of applications made	2	19	19
Number of applications granted	2	19	19
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	2	19	17
Number of premises warrants	Nil	6	3
Number of warrants which authorised entry onto private premises	1	14	9
Average duration of warrants including renewals (days)	18	25	29
Number of persons prosecuted	9	3	40
Number of persons convicted	Nil	Nil	4
Number of persons still under prosecution	9	3	36
Number of prosecutions instituted against Police (including former members) for offences against Section 216C or 312K of the Crimes Act 1961	Nil	Nil	Nil
<b>Section 312CA (Interception Warrants)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of application made	11	16	6
Number of applications granted	11	16	6
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	11	16	6
Number of premises warrants	1	3	Nil
Number of warrants which authorised entry onto private premises	9	12	4

Average duration of warrants including renewals (days)	22	27	21
Number of persons prosecuted	16	19	7
Number of persons convicted	2	3	Nil
Number of persons still under prosecution	14	16	7
Number of prosecutions instituted against Police (including former members) for offences against Section 216C or 312K of the Crimes Act 1961	Nil	Nil	Nil
<b>Section 312F (Renewal of Warrants)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of application made	Nil	Nil	5
Number of applications granted	Nil	Nil	5
Number of applications refused	Nil	Nil	Nil
Number of persons warrants	Nil	Nil	5
Number of premises warrants	Nil	Nil	Nil
<b>Section 312G (Emergency Permits)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of application made	3	3	Nil
Number of applications granted	2	3	Nil
Number of applications refused	1	Nil	Nil
Number of interceptions recorded	1,408	912	Nil
<b>Section 216B (3) (Emergency Permits)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 (to 17 April 2012)</b>
Number of application made	2	Nil	1
Number of applications granted	2	Nil	1
Number of applications refused	Nil	Nil	Nil
Number of interceptions recorded	112	Nil	5

In accordance with the provisions of section 172 of the Search and Surveillance Act 2012, the information in Table 25 is provided. This is a new requirement for reporting on surveillance device warrants.

**Table 25: Surveillance Device Warrants, 18 April 2012 to 30 June 2012 (under the Search and Surveillance Act 2012)**

<b>Section 172 (Surveillance Device Warrants)</b>	<b>18 April to 30 June 2012</b>
Number of applications made	8
Number of applications granted	8
Number of applications refused	Nil
Number of warrants granted for use of interception device	8
Number of warrants granted for use of visual surveillance device	3
Number of warrants granted for use of tracking device	2
Number of warrants that authorised entry onto private premises	5
Number of interception devices used	Less than 1 day
	1–3 days
	3–7 days
	7–21 days
	21–60 days
	3
	1
	10
	23
	23

Number of visual surveillance devices used	Less than 1 day	Nil
	1–3 days	1
	3–7 days	1
	7–21 days	6
	21–60 days	Nil
Number of tracking devices used	Less than 1 day	Nil
	1–3 days	Nil
	3–7 days	1
	7–21 days	Nil
	21–60 days	2
Number of persons charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by carrying out activities under the authority of the surveillance device warrant		15
Number of reported breaches of any of the conditions of the issue of the surveillance device warrant		Nil
Provide details of breaches if any		Nil

In accordance with the provisions of section 170 of the Search and Surveillance Act 2012, the information in Table 26 is provided. This is a new requirement for reporting the number of occasions on which surveillance powers were exercised without a warrant during the reporting period.

**Table 26: Surveillance Warrantless Powers, 18 April 2012 to 30 June 2012 (under the Search and Surveillance Act 2012)**

Section 170(1)(a-b) Warrantless Powers		18 April to 30 June 2012
Number of occasions powers were exercised involving the use of a surveillance device		3
Number of interception devices used	24 hours or less	1
	24–48 hours	4
Number of visual surveillance devices used	24 hours or less	Nil
	24–48 hours	Nil
Number of tracking devices used	24 hours or less	Nil
	24–48 hours	1
Number of people charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by the exercise of a warrantless surveillance power		3
Number of reported breaches where a surveillance device used was not authorised under the warrantless emergency and urgency powers		Nil
Provide details of breaches if any		

In accordance with section 172 of the Search and Surveillance Act 2012, the information in Table 27 is provided. This is a new requirement for reporting on declaratory orders.

**Table 27: Declaratory Orders, 18 April to 30 June 2012 (under the Search and Surveillance Act 2012)**

Section 172 Declaratory Orders		18 April to 30 June 2012
Number of applications made		Nil
Number of applications granted		Nil
Number of applications refused		Nil
Number of declaratory orders related to use of	a device	Nil
	a technique	Nil
	a procedure	Nil
	an activity	Nil
General description of the nature of the device, technique, procedure or activity		Nil
Number of persons charged in criminal proceedings where the collection of evidential material relevant to those proceedings was significantly assisted by carrying out activities covered by a declaratory order		Nil

## Call Data Warrants

In accordance with section 10R of the Telecommunications (Residual Provisions) Act 1987, the information in Table 28 is provided.

**Table 28: Call Data Warrants (under the Telecommunications (Residual Provisions) Act 1987), 2009/10–2011/12**

Section 10A (Call Data Warrants)	2009/10	2010/11	2011/12 (to 17 April 2012)
Number of applications made	243	291	179
Number of applications granted	243	291	179
Number of applications refused	Nil	Nil	Nil
Average duration of warrants (days)	23	23	23
Section 10K	2009/10	2010/11	2011/12 (to 17 April 2012)
Number of applications made	Nil	Nil	7
Number of applications granted	Nil	Nil	7
Number of applications refused	Nil	Nil	Nil
Average duration of warrants (days)	Nil	Nil	27

## Road Blocks

In 2011/12, two road blocks were established under section 317B of the Crimes Act 1961.

## Tracking Warrants

In accordance with section 200J of the Summary Proceedings Act 1957, the information in Table 29 is provided.

**Table 29: Tracking Warrants (under the Summary Proceedings Act 1957), 2009/10– 2011/12**

Tracking Warrants	2009/10	2010/11	2011/12 (to 17 April 2012)
Number of warrants issued	12	16	19
Number of warrant renewals	4	2	5
Average duration – in days	51	36	41
Tracking device used without warrant	Nil	Nil	Nil
Warrants issued under section 200I	Nil	Nil	Nil
Number of devices authorised to remain	Nil	Nil	Nil

## Bodily Samples

In accordance with section 76 of the Criminal Investigations (Bodily Samples) Act 1995, the information in Table 30 is provided.

**Table 30: Bodily Samples (under the Criminal Investigations (Bodily Samples) Act 1995), 2011/12**

Bodily Samples	2011/12
(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	1
(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	2,163
(b) The number of applications for compulsion orders by type:	
• suspect compulsion orders	50
• juvenile compulsion orders	1
(c) The number of applications referred to in paragraph (b) that were:	
• suspect compulsion orders – granted	44*
• suspect compulsion orders – refused	0
• juvenile compulsion orders – granted	1
• juvenile compulsion orders – refused	0
(*) 6 discontinued / withdrawn	
(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	55
(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	1,409
(ce) The number of:	
(i) databank compulsion notice hearings requested and	(i) 12
(ii) Part 3 orders made	(ii) 10
(iii) and the number of orders made that the databank compulsion notice is of no effect in respect to those hearings	(iii) 2*
(*) 2 discontinued / withdrawn	

Bodily Samples		2011/12
(d)	The number of:	
	(i) occasions on which a DNA profile obtained under Part 2 procedure has been used as evidence against a person in trial; and	Information not captured nationally
	(ii) persons referred to in subparagraph (i) in respect of whom a conviction has been entered as a result of the trial	
(da)	The number of:	
	(i) occasions on which a DNA profile obtained under a Part 3 procedure has been used in support of an application for a suspect compulsion order under Part 2	(i) 24
	(ii) suspect compulsion orders granted in respect of those applications	(ii) 24
(e)	The number of occasions on which any constable has used or caused to be used force to assist a suitably qualified person to take a fingerprick or buccal sample pursuant to a compulsion order or databank compulsion notice:	1
(ea)	The number of occasions on which a buccal sample has been taken as a result of a Part 2A request	0
(eb)	The number of occasions on which a bodily sample has been taken under Part 2B	14,560
(ec)	The number of occasions on which a DNA profile was derived from a bodily sample taken under Part 2B	13,207
(ed)	The number of occasions on which a DNA profile derived from a bodily sample taken under Part 2B matched with DNA information referred to in section 24R(1) (a)	1,497
(ee)	The number of occasions on which a DNA profile derived from a bodily sample taken under Part 2B matched DNA information collected from the scene of the offence in respect of which the bodily sample was taken.	81
(ef)	The number of occasions on which a constable used reasonable force under section 54A(2)	16
(eg)	The total number of DNA profiles stored on a Part 2B temporary databank at the end of the period under review	6,405
(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	129,001
	• number of bodily samples obtained pursuant to a compulsion order	95,417*
	• number of bodily samples obtained pursuant to a databank compulsion notice	138
	Total	22,757
	(*) Number of consent samples has declined as older voluntary samples have been replaced through sampling under Part 2B	
(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 a Part 2 procedure	342
(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 Part 3 procedure	1,134

(2) The information required by subsection (1) (eb) to (eg) must be provided together with a breakdown of those totals according to the ethnicity of the persons from whom the samples were taken, and the number of young persons from whom samples were taken, so far as that information is known by the Police.

		Ethnicity	2010/11	2011/12	Young persons 2010/11	Young persons 2011/12
(eb)	The number of occasions on which a bodily sample has been taken under Part 2B	Asian	146	266		
		European	2,946	6,071		
		Indian	203	386		
		Latin American	15	31		
		Māori	3,193	5,795		
		Middle Eastern	66	95		
		Native African	47	71		
		Pacific Islander	1,019	1,726		
		Other	34	70		
		Unknown	31	49		
					489	757
(ec)	The number of occasions on which a DNA profile was derived from a bodily sample taken under Part 2B	Asian	143	257		
		European	2,881	5,562		
		Indian	198	360		
		Latin American	15	30		
		Maori	3,092	5,155		
		Middle Eastern	65	89		
		Native African	46	69		
		Pacific Islander	1,003	1,575		
		Other	33	63		
		Unknown	24	47		
					463	1,306
(ed)	The number of occasions on which a DNA profile derived from a bodily sample taken under Part 2B matched with DNA information referred to in section 24R(1)(a)	Asian	0	6		
		European	217	370		
		Indian	1	8		
		Latin American	2	2		
		Maori	480	788		
		Middle Eastern	3	3		
		Native African	1	7		
		Other–Tongan	0	1		
		Pacific Islander	99	186		
		Unknown	5	126		
					58	134

		Ethnicity	2010/11	2011/12	Young persons 2010/11	Young persons 2011/12
(ee)	The number of occasions on which a DNA profile derived from a bodily sample taken under Part 2B matched DNA information collected from the scene of the offence in respect of which the bodily sample was taken	Asian	0	2		
		European	21	28		
		Indian	0	2		
		Latin American	0	1		
		Maori	42	41		
		Native African	2	1		
		Pacific Islander	6	6		
		Unknown	2	0		
					7	8
(ef)	The number of occasions on which a constable used reasonable force under section 54A(2)	European	2	8		
		Maori	5	7		
		Native African	1	0		
		Pacific Islander	1	1		
					0	0
(eg)	The total number of DNA profiles stored on a Part 2B temporary databank at the end of the period under review	Not available			245	334





