



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Retail Crime Prevention Programme: Additional Funding

Portfolio **Police**

On 11 April 2023, Cabinet:

- 1 **noted** that on 28 November 2022, Cabinet agreed to additional crime prevention solutions, including to:
 - 1.1 extend the eligibility criteria for access to the Small Retailer Crime Prevention Programme (the Programme) to include retail owners that have been the victim of an aggravated robbery in the last 12 months to access a Police Security assessment, and further access to the Programme;
 - 1.2 subsidise up to \$4,000 for the purchase and installation of fog cannons for any small retail business that requests it, with no requirement to have been the victim of a ram raid or aggravated burglary to access the subsidy, and for this to be administered by the Ministry for Business, Innovation and Employment;
 - 1.3 authorise the Minister of Finance, Minister of Corrections, Minister of Police, Minister for Small Business, and Minister of Justice to make changes to support the implementation of the decisions and to agree the final funding source, phasing, and appropriation changes;

[CAB-22-MIN-0548]
- 2 **noted** that:
 - 2.1 to date, the Programme has completed installations at 55 stores, with an additional 234 quotes approved for eligible stores that experienced aggravated robberies or ram raids;
 - 2.2 the total spent is \$6.393 million, with an additional \$4.595 million of financial commitments to complete installations already allocated to suppliers;
- 3 **agreed** to allocate \$9.000 million to extend the Programme;
- 4 **noted** that funding could be sought from the Budget 2022 between-budget contingency or the Prime Minister's Emerging Priorities Fund;
- 5 **noted** that a transfer of underspend, for the value of commitments not yet finalised, will be required, and will be sought post the Budget moratorium through approval from the Minister of Police and Minister of Finance;

- 6 **agreed** to the following change to appropriations to give effect to the decision in paragraph 3 above, with a corresponding impact on the operating balance and net debt:

	\$m - increase/(decrease)				
Vote Police Minister of Police	2022/23	2023/24	2024/25	2025/26	2026/27 & Out- Years
Policing Services MCA					
Departmental Output Expenses					
- Crime Prevention	9.000	-	-	-	-
- Investigations and Case Resolution	-	-	-	-	-
- Policy Advice and Ministerial Services	-	-	-	-	-
- Primary Response Management	-	-	-	-	-
(Funded by Revenue Crown)					
Total Operating	9.000	-	-	-	-

- 7 **agreed** that the change to appropriations for the 2022/23 year above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 8 **authorised** the Prime Minister, the Minister of Finance, and the Minister of Police to jointly agree the source from which the expenses incurred above be charged against.

Rachel Hayward
Secretary of the Cabinet



Cabinet

Summary

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Retail Crime Prevention Programme: Additional Funding

Portfolio

Police

This paper seeks approval of \$9.000 million of new Crown funding to continue the delivery of the Retail Crime Prevention Programme.

Recommendation 8 below seeks a decision as to the funding source.

The Minister of Police recommends that Cabinet:

- 1 note that on 28 November 2022, Cabinet agreed to additional crime prevention solutions, including to:
 - 1.1 extend the eligibility criteria for access to the Small Retailer Crime Prevention Programme (the Programme) to include retail owners that have been the victim of an aggravated robbery in the last 12 months to access a Police Security assessment, and further access to the Programme;
 - 1.2 subsidise up to \$4,000 for the purchase and installation of fog cannons for any small retail business that requests it, with no requirement to have been the victim of a ram raid or aggravated burglary to access the subsidy, and for this to be administered by the Ministry for Business, Innovation and Employment;
 - 1.3 authorise the Minister of Finance, Minister of Corrections, Minister of Police, Minister for Small Business, and Minister of Justice to make changes to support the implementation of the decisions and to agree the final funding source, phasing, and appropriation changes;

[CAB-22-MIN-0548]
- 2 note that:
 - 2.1 to date, the Programme has completed installations at 55 stores, with an additional 234 quotes approved for eligible stores that experienced aggravated robberies or ram raids;
 - 2.2 total spent is \$6.393 million, with an additional \$4.595 million of financial commitments to complete installations already allocated to suppliers;
- 3 agree to allocate \$9.000 million to extend the Programme;

- 4 note that funding could be sought from the Budget 2022 between-budget contingency or the Prime Minister's Emerging Priorities Fund;
- 5 note that a transfer of underspend, for the value of commitments not yet finalised, will be required, and will be sought post the Budget moratorium through approval from the Minister of Police and Minister of Finance;
- 6 agree to the following change to appropriations to give effect to the decision in paragraph 3 above with corresponding impact on the operating balance and net debt:

	\$m - increase/(decrease)				
Vote Police Minister of Police	2022/23	2023/24	2024/25	2025/26	2026/27 & Out- Years
Policing Services MCA					
Departmental Output Expenses					
- Crime Prevention	9.000	-	-	-	-
- Investigations and Case Resolution	-	-	-	-	-
- Policy Advice and Ministerial Services	-	-	-	-	-
- Primary Response Management	-	-	-	-	-
(Funded by Revenue Crown)					
Total Operating	9.000	-	-	-	-

- 7 agree that the change to appropriations for the 2022/23 year above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from imprest supply;
- 8 agree to the source as to which the expenses incurred above be charged against.

Janine Harvey
Committee Secretary

Hard-copy distribution:
Cabinet

In Confidence

Office of the Minister of Police

Chair, Cabinet

Retail Crime Prevention Programme: seeking additional funding


Proposal

- 1 I am seeking Cabinet approval of \$9.000 million of new Crown funding to continue the delivery of the Retail Crime Prevention Programme (the Programme).
- 2 The additional \$9.000 million will enable New Zealand Police to meet current financial commitments of \$11.000 million (requiring \$6.000 million of the additional \$9.000 million), and to enable expansion of the Programme to enable it to continue to offer support to retail victims of ram raids and aggravated burglary to an estimated December 2023 (requiring \$3.000 million of the additional \$9.000 million).

Relation to government priorities

- 3 This investment aligns with several Government priorities, including supporting the Government's focus on addressing the harm from crime, reducing offending and victimisation, while ensuring victims are better supported.

Executive summary

- 4 The Retail Crime Prevention Programme (the Programme) has progressed well to deliver protective equipment and additional prevention advice to retailers who have been the victim of a ram raid or aggravated burglary.
- 5 New Zealand Police (Police) moved quickly to deliver support, to both groups of victims – ram raid and aggravated robbery. The Programme was expanded to include victims of ram raid style burglary and aggravated robbery, using the original \$6.000 million provided.
- 6 s 6(c) 
- 7 This decision leaves a total of 40 historical locations identified as victims of ram raid or aggravated robbery going back to 1st November 2021 that remain unsupported by the Programme.
- 8 The Programme also has 90 outstanding quotes from locations already allocated to suppliers, to be received, reviewed and accepted.

- 9 While Police continue to review and adapt delivery options to reduce cost and extend the Programmes ability to deliver service, additional funding is required so that Police can meet our commitment to deliver protective equipment and additional prevention advice to retailers who have been the victim of a ram raid or aggravated burglary.
- 10 Hence, I am seeking an additional \$9.000 million which will enable Police to meet current financial commitments of \$11.000 million (requiring \$6.000 million of the additional \$9.000 million), and to enable expansion of the programme to enable it to continue to offer support to retail victims of ram raids and aggravated burglary to an estimated December 2023 (requiring \$3.000 million of the additional \$9.000 million).

Background

- 11 In May 2022, Cabinet agreed to allocate \$6.000 million to establish a programme for funding small retailer crime prevention solutions [CAB-22-MIN-0182] from the Proceeds of Crime Fund.
- 12 As the Programme has rolled out, it has been possible to get a clearer picture of costs. As of 30th March, the current average spend per site is \$14,808 (varying depending on what equipment is installed), across the 150 stores which have had their installations completed and thus exited the programme.
- 13 Current staffing costs have been kept at a minimum due to existing systems and assessor networks.
- 14 On 28 November, Cabinet agreed to additional crime prevention solutions [CAB-22-MIN-0548]. This included extending the eligibility to the Programme to include retail owners that have been the victim of an aggravated robbery from 1 November 2021 onwards.
- 15 In December, join Ministers invited Police to seek additional funding in March 2023 when expenditure expectations for financial year (FY) 2022/23 would be more apparent (MBIE Report 2223-2178). As this funding was not allocated to a tagged contingency, new Crown funding is required for the further investment of \$9.000 million sought.
- 16 Police has moved quickly to deliver support, to both groups of victims – ram raid and aggravated robbery. The Programme began delivery to include victims of ram raid style burglary and aggravated robbery), using the original \$6.000 million provided.
- 17 To date, 2,222 security interventions have been approved for eligible stores through the Programme, with 485 interventions completed so far including:
- 93 fog cannons
 - 86 security sirens
 - 74 alarms
 - 123 CCTV systems or system upgrades

- 42 bollards or similar security measures
 - 41 roller doors
- 18 This has allowed the Programme to deliver to the intent of Ministerial decisions and public announcement as quickly as possible and to meet the demand and expectations of the retail sector.

Original allocation of \$6.000 million to the Programme

- 19 As of 30th March, the following table outlines the FY2022/23 budget position for the Programme:

Target Hardening: Supply & installation of equipment	Budget (\$m)	Actual (\$m)
Ram raid	5.520	4.156
Aggravated robbery		1.854
TOTAL	5.520	6.011
Programme Delivery	0.400	0.382
Evaluation	0.080	
TOTAL	6.000	6.393

- 20 The current actual spend includes locations that have been completely completed and have exited the programme as well as costs incurred for some locations which had have partial installs completed but are still awaiting full completion due to availability and timing for retailer and supplier or additional products to be delivered.
- 21 The programme is also managing the following financial commitments to complete installations already allocated to suppliers.

Target Hardening: Supply & installation of equipment	Purchase Orders issued/ future commitments (\$m)
Ram raid	1.985
Aggravated robbery	2.610
TOTAL	4.595
Quotes expected from already allocated stores (90)	1.333
TOTAL	5.928

- 22 These financial commitments include installations due to be completed as well as those which have started or are due to start.
- 23 The realisation of these commitments is dependent on the supplier's ability to fulfil the work as quoted and submit an invoice for payment.
- 24 Earlier indications from suppliers were that recent weather events and supply chains would have an impact on the ability to complete installations, which would in turn would reduce the number of invoices received. However, over

the past month, suppliers have been able to undertake installations of products and submit invoices at a steady rate.

- 25 Based on the number of retailers progressed to date, the Programme is currently carrying financial commitments of \$11.000 million.
- 26 In addition, there are 90 locations which have been allocated to suppliers for assessment. Police are yet to receive and process these quotes, but on the current average price per location of \$14,808, this could result in total commitments of up to \$1.333 million.
- 27 This would equate to total of \$12.333 million in commitments. New Crown funding of \$6.000 million will enable the Programme to meet current commitments and these pending additional quotes. The further funding of \$3.000 million will then enable the Programme to complete the 40 historical locations, plus new incidents.
- 28 Police have also been managing delivering costs such programme staff within current baseline and across other related programmes such as the Burglary Residential Prevention programme to ensure the vast majority of funding provided is used to support victims of ram raids and aggravated robbery

Programme decisions made due to its current financial position

- 29 s 6(c) [REDACTED]
- 30 s 6(c) [REDACTED]
- 31 s 6(c) [REDACTED]
- 32 The focus for the Programme is currently to undertake work related to return visits to retailers who have exited the Programme to build on-going trust and confidence.
- 33 However, contractors will continue to deliver installations for stores that Police have already committed to (i.e., where purchase orders have been issued) or quotes received.

Police is reviewing the programme to ensure that it is cost effective

- 34 Police continue to review and adapt delivery options to reduce cost and extend the Programme's ability to deliver service. These include:

- s 6(c) [REDACTED]
- Current installation jobs are being allocated to contractors that are holding fog cannon stocks from a prepurchase order of fog cannons to reduce additional costs per location.
- Additional options such as providing concrete seats outside stores rather than bollards (which represents a lower cost, but valid response) are being considered to also reduce costs. However, discussions with local councils suggest that this option may face consent issues, delaying installations.
- Quality assurance across all submitted quotes continues. This ensures consistency in measures being installed whilst also ensuring that pricing is within an acceptable price range.

Future programme financial capability

- 35 With current funding arrangements, the Programme is not be able to assess and progress any further eligible retailers who have been victimised.
- 36 To be able to continue to review new incidents and service retail victims identified back to November 2021, an increase in funding, above the abovementioned \$6.000 million additional allocation will be required.
- 37 If programme staff undertake on average 10 of visits to retailers per week in response to occurrences for Ram Raids and Aggravated Robbery, this would allow a response to new incidents as well as address the outstanding historical locations.
- 38 If staff did more locations per week, the rate of financial commitments would increase, decreasing any provided budget, at a more rapid rate.
- 39 The following table outlines a series of options highlighting the numbers of stores that can serviced by the Programme from 1 July 2023.

Based on current average cost per site of \$14,808 Delivery from 1 July 2023				
Option	Additional investment (\$m)	Number of sites	Average Months to complete	Programme completed by
A	1.000	68	2	August
B	2.000	135	3	October
C	3.000	203	5	December
D	4.000	270	7	February 2024
E	5.000	338	9	April 2024

- 40 I recommend that Cabinet agree to expand funding available for this Programme by a further \$9.000 million in FY2022/23, (Option C), with the

flexibility to seek a transfer of any underspend post the budget moratorium which would enable the programme to continue to offer support to retail victims of ram raids and aggravated burglary to an estimated December 2023.

- 41 Option C allows the programme to complete a full year of implementation from the Nov 2022 announcement to support victims of aggravated robbery. The 12 months also provides an opportunity to assess effectiveness of interventions for a large proportion of retailers already serviced.
- 42 This information will assist decisions regarding the continuation or termination of the programme.
- 43 Additional funding of \$9.000 million for FY2022/23 could be sought from the Budget 2022 between-budget contingency or the Prime Minister's Emerging Priorities Fund.

44 s 9(2)(f)(iv) [REDACTED]

45 s 9(2)(f)(iv) [REDACTED]

Legislative Implications

- 46 This proposal does not have legislative implications.

Regulatory Impact Statement

- 47 These proposals are not subject to Cabinet's impact analysis requirements.

Climate Implications of Policy Assessment

- 48 These proposals are not subject to the Climate Implications of Policy Assessment requirements.

Population impacts

- 49 The proposals in this paper have potential direct implications for disabled people.
- 50 The benefits of an increase in the use of physical barriers in retail environments will be considered against any accessibility impacts for those who use mobility aids (for example, wheelchair users or the elderly). If not thoughtfully designed, such barriers may impact access for those who use

these aids, as well as, for example, people who are blind or have low vision or parents with prams.

- 51 As the retail crime largely affects our ethnic communities which make up a larger population of small retailers, additional engagement and advice was sought from Commissioner of Police's Ethnic Focus Forum to enable cultural considerations such as language and specialist engagement to be built into the design and delivery of the programme. Police's Ethnic Liaison Officer network supports the programme by liaising with retailers, undertaking assessments and helping to overcome language barriers.

Human Rights

- 52 The proposals in this paper will assist with small business crime prevention and are consistent with the rights contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 53 Due to time commitments, Treasury and the Department of Prime Minister and Cabinet have been informed.
- 54 I intend to announce this work shortly after the release of Budget 2023. This announcement will also highlight other operational responses underway, including the National Retail Investigation Support Unit, led by Police.

Proactive Release

- 55 I intend to release this Cabinet paper proactively after 18 May 2023 to coincide with an announcement, subject to redaction as appropriate under the Official Information Act 1982, in accordance with Cabinet Office circular CO (18) 4.

Recommendations

The Minister of Police recommends that Cabinet:

- 1 **note** that in November 2022, Cabinet agreed to additional crime prevention solutions [CAB-22-MIN-0548], including to:
- 1.1 Extend the eligibility criteria for access to the Small Retailer Crime Prevention Programme (RCPP) to include retail owners that have been the victim of an aggravated robbery in the last 12 months to access a Police Security assessment, and further access to the RCPP.
 - 1.2 Subsidise up to \$4,000 for the purchase and installation of fog cannons for any small retail business that requests it, with no requirement to have been the victim of a ram raid or aggravated burglary to access the subsidy and for this to be administered by the Ministry for Business, Innovation and Employment
 - 1.3 Authorise the Minister of Finance, Minister of Corrections, Minister of Police, Minister of Small Business, and Minister of Justice to make

I N C O N F I D E N C E

changes to support the implementation of the decisions and agree final funding source, phasing, and appropriation changes;

I N C O N F I D E N C E

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- 2 **note** that to date the Programme has completed installations at 55 stores, with an additional 234 quotes approved for eligible stores that experienced aggravated robberies or ram raids. Total spent is \$6.393 million with an additional \$4.595 million of financial commitments to complete installations already allocated to suppliers;
- 3 **agree** to allocate \$9.000 million to extend the Programme;
- 4 **note** that funding could be sought from the Budget 2022 between-budget contingency or the Prime Minister's Emerging Priorities Fund;
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- Primary Response Management (Funded by Revenue Crown)	-	-	-	-	-
Total Operating	9.000	-	-	-	-

- 7 **agree** that the change to appropriations for the 2022/23 year in the recommendation above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from imprest supply;

- 8 **agree** the source as to which the expenses incurred above be charged against.

Authorised for lodgement

Hon Ginny Andersen
Minister for Police