

## **In Confidence**

Office of the Minister of Justice

Office of the Minister of Police

Cabinet Social Wellbeing Committee

## **Funding to support ReFrame**

### **Proposal**

- 1 This paper seeks approval to provide the funding of \$28.260 million to support ReFrame, the New Zealand Police (Police) service delivery transformation programme. Funding will be provided by drawing down \$25.260 million from the Proceeds of Crime Fund (PoCF) and a fiscally neutral transfer of \$3.000 million from Vote Corrections to Vote Police.

### **Issue Identification**

- 2 Police and the wider justice sector are facing significant issues that need to be addressed. Increased calls for service have created unsustainable demand on frontline staff, who are not enabled to deliver the service and outcomes that New Zealanders expect, due to an outdated operating model, inconsistent systems and processes, and issues of timeliness and variable quality with case management.

### **Relation to Government Priorities**

- 3 This proposal contributes to improving the Government wellbeing outcomes for New Zealand by focusing on achieving systemic, meaningful change across the criminal justice system.
- 4 Justice Cluster Ministers have developed a set of Ministerial Priorities to enable transformation in the justice sector. There are four priorities:
  - 4.1 better access to justice;
  - 4.2 addressing issues with remand;
  - 4.3 improving outcomes for victims; and
  - 4.4 better enabled workforce and organisations.

### **Executive Summary**

- 5 ReFrame is a three-year service delivery transformation programme designed s9(2)(f)(iv) to enable Police to lift its performance in core policing. It will ensure Police have the

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capability and capacity to make better informed decisions to deliver principled, effective, and efficient resolution decisions<sup>1</sup> and policing services.

- 6 ReFrame will build the foundations to transform Police into a high performing organisation, by focusing on three key areas:

6.1 business process transformation, that will drive significant quality improvements in how we collect evidence, conduct initial investigations, and collect victim statements, to better manage the information we collect and pass through the justice system;

6.2 s9(2)(f)(iv)

6.3 leveraging technology to eliminate duplication and inefficient processes so our frontline staff have more time to focus on delivering fundamental policing services.

- 7 ReFrame will transform the way core policing services are delivered, enabling Police to provide appropriate, quality inputs to the criminal justice system, as well as timely referral to support services for victims and perpetrators who engage with the system. ReFrame will impact all justice sector agencies and Police will work closely with sector partners to identify dependencies and ensure services line up with wider sector development and support for service providers. ReFrame will also deliver improved resolution outcomes, both in terms of efficiency and effectiveness.

8 s9(2)(f)(iv)

Joint Ministers (Minister of Justice and Minister of Police) agreed the preferred option of a mixed funding model, with the primary source being the PoCF and reprioritisation of funding from Vote: Corrections.

- 10 This paper seeks confirmation of the agreement to provide funding of \$28.260 million to support ReFrame. Funding will be provided by drawing down \$25.260 million from the PoCF and a fiscally neutral transfer of \$3.000 million from Vote Corrections to Vote Police.

## Budget 2022

- 11 Justice agencies were invited to pilot a cluster approach for Budget 2022. The cluster process afforded the justice sector the opportunity to prioritise and plan

<sup>1</sup> Resolution decisions refers to the series of decisions Police make regarding how to resolve an incident. This includes decisions to charge, issue a warning or infringement, refer to alternative pathways, or take no further action (among others).

initiatives over the short to medium term, based on specific funding envelopes. Clusters were initially required to identify three funding packages – low, medium, and high. The size of the envelopes was pre-set by the Minister of Finance.

- 12 s9(2)(f)(iv)
- 13 ReFrame is a three-year foundational initiative underpinning the Justice Cluster’s strategic narrative and approach for changing the criminal justice system to achieve better outcomes for our communities over time.
- 14 Initiatives that formed part of the Cluster proposals had been through reviews within agencies and through the collective Cluster process. The initiatives and associated packages were endorsed by the Justice Sector Leadership Board and Justice Cluster Ministers before being submitted to Budget Ministers.
- 15 The Justice Cluster received \$2.73 billion total operating funding in Budget 2022 to cover three budget cycles for the five Justice Cluster agencies. Within this package, funding of \$45.7 million was established as a tagged contingency for a sector-wide Victims of Crime – Improving Outcomes initiative. Funding of the ReFrame initiative could not be met from the package.
- 16 Prior to the finalisation of Budget 2022, the Lead Cluster Minister (the then Minister of Justice Hon Kris Faafoi) agreed to fund ReFrame through the PoCF. Following further work by Justice Cluster officials, the Minister of Justice and Minister of Police agreed to support a proposal to allocate \$32.260 million to fund ReFrame, by drawing \$25.260 million from the PoCF and transferring \$3.000 million from Vote Corrections to Vote Police<sup>2</sup>, and drawn down \$4.000 million from the tagged contingency administered by Vote Corrections for Victims of Crime – Improving Outcomes initiative.

### Justice Sector priorities for Cluster Budget 2022 - 2025

- 17 ReFrame contributes to Justice Cluster Ministerial strategic priorities that focus on achieving systemic, meaningful change across the criminal justice system to improve wellbeing outcomes for New Zealand.
- 18 Justice Cluster Ministers agreed four key strategic priorities for the Justice Cluster. The priorities are:
- *Better Outcomes for Victims* – The voices of people who are harmed have not always been heard or listened to. The response to this challenge must

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<sup>2</sup> The transfer is from funds allocated to the Victims of Crime – Improving Outcomes initiative approved budget recognising the contribution ReFrame will make to the victims’ outcomes work.

recognise the experience and needs of people throughout their entire journey through justice processes.

- *Better Enabled Workforce and Organisations* – We can't transform the justice system without changing the capacity and capability of the people who work in it. It's a priority. Focus is required on improving the capability of frontline workers and supporting better safety and wellbeing for staff.
- *Improved Access to Justice* – Barriers can arise from the means or resources available to a person (including access to lawyers through legal aid) and from the system itself (such as backlogs in court proceedings).
- *Addressing Issues with Remand* – Remanded prisoners now account for around 44% of the total prison population (even more so for women). There are many opportunities at the early stage of the justice system where a person can be diverted away from prison where that isn't needed.

- 19 Justice sector officials considered the strategic priorities in assessing whether agencies initiatives met the desired outcomes. Those with close alignment were considered in the three cluster packages. ReFrame was considered to be part of the high package.

**ReFrame will improve frontline policing, providing better resolution outcomes and a safer New Zealand**

- 20 In recent years, Police have introduced several foundational initiatives aimed at achieving policing excellence, including the Prevention First Operating Model, Te Huringa o te Tai, Frontline Safety Improvement Programme, and refreshed priorities.
- 21 However, significant issues remain to be addressed by Police and the wider justice sector. Increased calls for service have created unsustainable demand pressures on frontline police, who are not being enabled to deliver the service performance and outcomes that New Zealanders expect, due to an outdated operating model, inconsistent systems and processes, and issues of timeliness and variable quality with case management. We must ensure we have an operating model that supports the frontline to be successful if we are to avoid critical service failures and improve justice sector outcomes.
- 22 ReFrame will transform the way Police deliver core policing services <sup>s9(2)(f)(iv)</sup> to enable Police to focus on lifting its performance, improving efficiencies, and reducing the burden on frontline police reducing inconsistencies and rework. It will ensure Police has the capability and capacity to make better informed decisions to deliver principled, effective, and efficient resolution decisions and policing services.
- 23 ReFrame will enable Police to provide appropriate, quality inputs to the criminal justice system, as well as timely referral to support services for victims and offenders who engage with the system. ReFrame will have impacts for all justice sector agencies, and many social and health sector agencies and will work closely with our sector partners to identify dependencies and ensure our

delivery timeframes line up with wider sector development and support for service providers. ReFrame will also deliver improved resolution outcomes, both in terms of efficiency and effectiveness.

- 24 Police has engaged numerous communities in the scoping of ReFrame through discussions with the Commissioner of Police's Māori, Pacific, and Ethnic forums, the Understanding Policing Delivery Independent Panel led by Tā Kim Workman, and conversations with representatives of Ināia Tonu Nei, via the Justice Sector Leadership Board. These community conversations, which have been supported by discussions with Police frontline staff, have informed the programme's development.

### **What ReFrame will achieve**

- 25 ReFrame will strengthen the basics of policing, by modernising Police's end-to-end resolutions framework and service support tools and process, to be more consistent, transparent, and accountable. ReFrame will mean that Police are accepted by New Zealand communities as doing the basics well; Police turn up, make the situation safe, collect evidence, and ensure victims and whānau are supported.
- 26 ReFrame will build the foundations to transform Police into a high performing organisation, by focusing on three key areas:
- 26.1 business process transformation that will drive significant quality improvements in how we collect evidence, conduct initial investigations, collect victim statements, to better manage the information we collect and pass through the justice system;
- 26.2 s9(2)(f)(iv) [REDACTED]
- 26.3 leveraging technology to eliminate duplication and inefficient processes so our frontline staff have more time to focus on delivering fundamental policing services.
- 27 Refreshing the Police operating model provides an opportunity to reset expectations about what Police should do and how they should respond:
- 27.1 enabling Police to gather quality information and evidence to support better resolution decisions and court proceedings;
- 27.2 introducing more effective tools, processes, and procedures to reduce the burden on front line staff, and enable more timely case resolutions, and minimise the traumatic experience of victims; and
- 27.3 improving outcomes for victims, witnesses, offenders, and their whānau and communities by developing and applying consistent service standards and decision-making criteria.

- 28 Working with the justice sector, iwi, and community partners, ReFrame will transform Police's operating model with improved investigations, resolutions, and victims' components and supporting tools that will:
- 28.1 treat all those who contact Police with humanity and fairness;
  - 28.2 collect quality information and evidence to inform decision making and achieve effective, equitable and timely case resolutions;
  - 28.3 develop a range of resolution options, to be delivered with Iwi Māori and community partners as appropriate, that hold people to account and address the underlying causes of offending or harm; and
  - 28.4 strengthen our partnerships to ensure victims, and those who have offended or caused harm, are able to receive the services and support they need.
- 29 ReFrame is a critical contribution to the joint justice sector work programme for delivering Better Outcomes for Victims. The proposals in this paper will also compliment and reinforce the work underway as part of the Action Plan supporting Te Aorerekura, the National Strategy to Eliminate Family Violence and Sexual Violence which this Government launched in 2021.
- 30 Te Aorerekura sets a collective pathway for tangata whenua, community specialist sectors and government to work together to eliminate family violence and sexual violence. ReFrame will support a focus on outcomes for victims and the improvement of processes to ensure that the justice system does not cause further harm and trauma. It will include consideration of the development of methods for referring reporting of family violence to alternative responses, where safe and appropriate, and will focus on the importance of community and iwi led responses to reporting and reaching resolution.

### **Funding Required for ReFrame**

- 31 Police has absorbed the initial set up costs of \$7.16 million in 2021/22 incurred to develop and test the ReFrame concept but requires additional funds to support its ongoing development and, in particular, to scale up and implement ReFrame components across all 12 policing districts.
- 32 The estimated costs over three years are shown in Table 1 below, which shows Police ongoing contribution to the initiative of \$12.26 million over the same period. Funding estimates are based on costs to Police of similar investments in business process and system transformations, technological change and people change.

**Table 1** Estimated costs of ReFrame 2022/23 to 2024/25 (\$ millions)

	2022/23	2023/24	2024/25	TOTAL
<b>ReFrame Total Funding Required</b>	11.018	16.471	17.031	<b>44.520</b>
Source from Police	5.318	3.471	3.471	<b>12.260</b>
<b>Additional Funding Required</b>	<b>5.700</b>	<b>13.000</b>	<b>13.560</b>	<b>32.260</b>
Source from PoCF	2.700	13.000	9.560	<b>25.260</b>
Source from Corrections	3.000			<b>3.000</b>
Source Victims of Crime – Improving Outcomes Tagged Contingency			4.000	<b>4.000</b>

- 33 The Justice Sector Leadership Board, which includes the Police Commissioner and other justice sector chief executives, identified an option to support funding ReFrame totalling \$32.260 million over three years that has been agreed by the Minister of Justice and the former Minister of Police. The proposal is:
- 33.1 to draw down \$25.260 million from the POCF;
- 33.2 to transfer \$3.000 million from Vote Corrections from the Victims of Crime – Improving Outcomes initiative approved budget; and
- 33.3 to draw down \$4.000 million from the tagged contingency administered by Vote Corrections for Victims of Crime – Improving Outcomes initiative.
- 34 This funding option recognises that Police are often the first point of contact for a person entering the criminal justice system. ReFrame presents an opportunity to affect significant long-term change and influence more effective pathways through the justice sector, including engagement with other sector agencies. Similarly, through its focus on the victim's experience, ReFrame will make a significant contribution to their experience and Justice Sector initiatives to improve outcomes for victims of crime. Finally, the improvement of evidential processes and practices to enable early disclosure and more successful trials will impact positively on court throughput numbers and, consequentially, remand numbers, contributing in the long term to resolving the remand pressures faced by the sector.
- 35 The scale and nature of changes to transform policing means other options such as further reprioritisation within Police or the cluster envelope are not feasible without compromising levels of service and ongoing policing. s9(2)(f)(iv)
- 36 The additional funding is required to develop and scale up new systems, processes and operating procedures and implement transformational change while maintaining business-as-usual services. Appendix 1 provides further

information about what ReFrame will deliver, its contribution to outcomes, and how this will be achieved and monitored.

- 37 This funding will be used to purchase the following activities and realise benefits as follows:
- 37.1 a refreshed operating model that simplifies the core policing role, by removing administrative work, to enable sworn officers to have more time and space to focus on incidents and investigations;
  - 37.2 s9(2)(f)(iv) [REDACTED]
  - 37.3 redesigning processes to improve workflow, reduce workload, and ensure equitable resolution outcomes for victims and offenders;
  - 37.4 developing end-to-end digital case solution, digital evidence management, and other core tools to improve services and efficiencies; and
  - 37.5 ensuring effective referrals for victims and resolution decisions for victims and offenders to ensure they get the support and services they require.
- 38 Without the additional funding to develop and implement ReFrame, frontline police will find it increasingly difficult to meet demand<sup>3</sup> and community expectations, and Māori, vulnerable, and marginalised communities will continue to experience disproportionate harm and inequitable justice sector outcomes, and policing service failures are more likely.

## Risks

- 39 As with any significant change process there are potential risks, particularly around people capability and delivering on proposed benefits. Police has implemented effective governance oversight and monitoring of ReFrame and is actively managing risk mitigations to ensure the programme will deliver the benefits expected. s9(2)(f)(iv) [REDACTED]

## Purpose of the Proceeds of Crime Fund

- 40 The purpose of the PoCF is to use funding from assets which are forfeited to the Crown under the Criminal Proceeds (Recovery) Act 2009, to address organised crime harm and drug-related harm, test innovative solutions to

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<sup>3</sup> Demand for services is projected to steadily increase by about 14% annually due to a combination of population growth, more people approaching the Police for help and a steady increase in fraud related crime.



complex issues relating to crime-related harm, and enable agencies to build an evidence-based case of what works in addressing crime-related harm.

- 41 To receive funding from the PoCF, an initiative should align with at least one of the following criteria set by Cabinet:
- 41.1 expansion of alcohol and other drug treatment services;
  - 41.2 to fight organised criminal groups dealing in methamphetamine and other drugs;
  - 41.3 to address mental health issues within the criminal justice system; or
  - 41.4 to address crime-related harm to communities and improve community wellbeing.
- 42 Changes to Police's operating model, resulting from the ReFrame programme, contribute to all four of the PoCF criteria. ReFrame will contribute to PoCF objectives by improving justice sector outcomes and community wellbeing, through more effective police services, resolution decisions, and better engagement with support and rehabilitative services, as illustrated in paragraphs 32 and 35.
- 43 Working with the justice sector, iwi, and community partners ReFrame will improve outcomes for victims, witnesses, offenders, and their whānau and communities. ReFrame will develop and apply consistent service standards and decision-making criteria that hold people to account and address the underlying causes of offending or harm (paragraphs 26 and 27 refer). This will enable more effective resolutions related to alcohol, drugs, or mental health issues as well as other drivers of crime-related harm in communities.
- 44 The standard process is for a cross-sector Advisory Panel to assess applications for PoCF funding and make recommendations to the Responsible Ministers (the Minister of Justice, the Minister of Finance, and the Prime Minister), who jointly approve the funding. An alternative process has emerged over the years where some PoCF allocations have been made through Cabinet endorsement, and without assessment by the Panel.
- 45 Applications for Round Six of the PoCF closed on 14 February 2022 and Round Six is currently paused due to uncertainty about the balance of funds. The initiatives short listed by the cross-agency panel to be considered are predominantly short-term and small scale, with localised outcomes. Collectively, they total to approximately \$28 million. Given the amount of time that has lapsed since Round Six closed, some of these initiatives may no longer be viable.
- 46 To date \$147.651 million has been distributed from the PoCF to 42 initiatives. Nine agencies have partnered with local community groups or introduced new regionally based projects. While 34 of these initiatives are still active, the remaining 8 completed initiatives have been folded into business as usual within the agency or ongoing funding has been secured.

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- 47 Due to the nature of the PoCF, applicants receive the funding as a one-off appropriation. All recipients are required to provide six monthly reports on the progress of initiatives, which is provided to the Ministers responsible for the oversight of the Fund.

### **Proceeds of Crime Fund Balance**

- 48 As of 30 January 2023, the balance of uncommitted funds was \$28.866 million. There is one outstanding initiative, still subject to Ministerial confirmation, which is a Round Five commitment of s9(2)(f)(iv) . This reduces the available balance to s9(2)(f)(iv) .
- 49 The revenue fluctuates according to the time it takes for forfeiture orders to be obtained after assets are restrained, and for the official assignee to sell the assets. Consequently, PoCF allocations are time-limited and not for ongoing activities.
- 50 The PoCF is dependent on the resolution of national and transnational criminal cases and the liquidation of forfeited assets. The nature of the cases, where assets are forfeited, are complex and can be lengthy in timeframes. The result is that the revenue into the PoCF regularly fluctuates and is difficult to forecast accurately. COVID-19 has had a major impact on the actual revenue flow into the PoCF, which has led to significant delays in both the national and international cases.
- 51 The PoCF has seen a slowing down of revenue into the fund over the last six months. The Official Assignee is forecasting a potential upswing in the PoCF in the last quarter of the 2022/23 financial year.

### **Financial Implications**

- 52 Funding ReFrame will utilise nearly all of the current PoCF balance and will reduce the ability to fund community-based initiatives until revenue into the fund is replenished. Round Six applications are short-term, small scale and localised initiatives totalling \$28 million and are currently on hold for the reasons noted above while ReFrame funding is considered. This impact was considered by the Justice Sector Leadership Board in recommending the proposed funding option to joint ministers.
- 53 If the Committee supports the ReFrame funding proposal, the current and future funding rounds will be further slowed to accommodate funding drawn for ReFrame while the PoCF reserves are replenished.
- 54 A fiscally neutral transfer will be actioned for 2022/23 providing \$3.000 million from Vote Corrections: Victims of Crime – Improving Outcomes initiative approved budget to Vote Police to recognise the contribution ReFrame will make to the victims' outcomes work
- 55 Justice sector officials will continue together to action the draw down \$4.000 million from the Victims of Crime – Improving Outcomes tagged contingency for victims' initiatives being delivered as part of ReFrame in 2024/25.

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## **Legislative Implications**

56 This proposal does not have legislative implications.

## **Regulatory Impact Statement**

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

## **Climate Implications of Policy Assessment**

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

## **Population impacts**

59 The proposals in this paper have direct implications for addressing the disproportionate overrepresentation of Māori in the criminal justice system.

60 The proposals in this paper have direct implications for the disability community and other population groups, who are over-represented in negative crime statistics. Drawing on the experiences of disabled people, and their communication needs, will be important for improving outcomes for disabled people when they interact with the criminal justice system.

61 Officials recognise that improvements in referral processes will impact heavily on then iwi and community sectors who currently deliver services to victims of crime. Adequate resourcing and scaling-up of these services is a key dependency for ReFrame, and is being reflected in the milestone and timeline planning currently underway. Officials note responsibility for this wider sector uplift sits with High Impact Innovation Programme, within Ara Poutama Aotearoa/Department of Corrections, and the Victims Strategy and Operating Model, who are working closely with Police officials.

## **Human Rights**

62 The proposals in this paper are consistent with the rights contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

## **Consultation**

63 Ara Poutama Aotearoa/ Department of Corrections, the New Zealand Police, the Ministry of Justice, Whaikaha (Ministry of Disabled People), the Treasury, the Public Service Commission, and the Department of Prime Minister and Cabinet were consulted during the development of this paper. This proposal has also been endorsed by the Justice Sector Leadership Board.

## **Communications**

64 The communications approach around this paper and associated issues will be managed by the Minister of Police, in consultation with my office and other Ministers' offices, as appropriate.

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## **Proactive Release**

- 65 I intend to release this Cabinet paper proactively within 30 business days, subject to redaction as appropriate under the Official Information Act 1982, in accordance with Cabinet Office circular CO (18) 4.

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## Recommendations

The Minister of Justice recommends that the Committee:

- 1 **s9(2)(f)(iv)**
- 2 **note** the option for funding ReFrame through the Proceeds of Crime Fund was agreed by the Lead Cluster Minister (the then Minister of Justice) on 18 March 2022;
- 3 **note** the Justice Sector Leadership Board has identified an option to support funding ReFrame totalling \$32.260 million over three years that was agreed by the Minister of Justice and the former Minister of Police in December 2022;
- 4 **agree** to allocate \$25.260 million for ReFrame for FY2022/23 to FY2024/25;
- 5 **approve** the following changes to appropriations to give effect to the decision in recommendation 4, 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
<b>Policing Services MCA</b>					
Departmental Output Expenses					
- Crime Prevention	0.722	3.475	2.555	-	-
- Investigations and Case Resolution	0.915	4.404	3.239	-	-
- Policy Advice and Ministerial Services	0.065	0.312	0.229	-	-
- Primary Response Management (Funded by Revenue Crown)	0.999	4.809	3.536	-	-
<b>Total Operating</b>	<b>2.700</b>	<b>13.000</b>	<b>9.560</b>	-	-

- 6 **agree** that the expenses incurred under recommendation 5 above be charged against the Proceeds of Crime Fund;
- 7 **note** that following the decision in recommendation 6 the remaining balance of the Proceeds of Crime Fund is \$3.333 million;
- 8 **agree** to the fiscally neutral transfer of \$3.000 million from Vote Corrections to Vote Police for the FY2022/23;

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- 9 **approve** the following changes to appropriations to give effect to the decision in recommendation 8 with no impact on the operating balance and net debt:

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Out-Years
<b>Vote Police</b> <b>Minister of Police</b>					
<b>Policing Services MCA</b> Departmental Output Expenses					
- Crime Prevention	0.802	-	-	-	-
- Investigations and Case Resolution	1.016	-	-	-	-
- Policy Advice and Ministerial Services	0.072	-	-	-	-
- Primary Response Management	1.110	-	-	-	-
<b>Vote Corrections</b> <b>Minister of Corrections</b> <b>Policy Advice and Ministerial Services MCA</b> Departmental Output Expenses Policy Advice	(3.000)				

- 10 **agree** that the proposed changes to appropriations in recommendation 5 and recommendation 9 be included in the FY2022/23 Supplementary Estimates of Appropriations and that, in the interim, the increases be met from Imprest Supply; and
- 11 **note** Justice Sector officials will continue together to action the drawdown of \$4.00 million from the Victims of Crime – Improving Outcomes tagged contingency for victims' initiatives being delivered as part of ReFrame in 2024/25.

Authorised for lodgement

Hon Kiri Allan

Minister of Justice

Hon Ginny Andersen

Minister of Police

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