



COVERSHEET

Minister	Hon Simeon Brown	Portfolio	Auckland
Title of Cabinet paper	Accessing the Proceeds of Crime Fund for the Auckland City Centre	Date to be published	2 April 2025

List of documents that have been proactively released

Date	Title	Author
February 2025	Accessing the Proceeds of Crime Fund for the Auckland City Centre	Office of the Minister for Auckland
19 February 2025	Accessing the Proceeds of Crime Fund for the Auckland City Centre SOU-25-MIN-0005 Minute	Cabinet Office

Information redacted

YES / NO (please select)

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In Confidence

Office of the Minister for Auckland

Cabinet Social Outcomes Committee

Accessing the Proceeds of Crime Fund for the Auckland City Centre

Proposal

- 1 This paper proposes that Cabinet:
 - 1.1 note the impact of crime and safety concerns in Auckland's central city;
 - 1.2 note that in 2023, funding was provided from the Proceeds of Crime Fund (PoCF) to Business Improvement Districts (BIDs)¹ and Local Boards across Auckland to implement a suite of initiatives to address crime and safety concerns;
 - 1.3 agree to provide further funding from the PoCF for the next three years to support BIDs and the Local Board in and around the city centre to maintain and strengthen initiatives addressing crime and safety.

Relation to government priorities

- 2 This paper supports the coalition agreements to restore law and order by providing funding for initiatives to reduce crime in Auckland's central city and contribute to meeting Target 4 by directly addressing environmental factors that contribute to violent crime. It will also support agreements to rebuild the economy and improve productivity by reducing adverse perceptions of safety that are negatively impacting economic activity.

Executive Summary

- 3 The Auckland city centre makes a significant contribution to the national economy, accounting for 8 per cent of national GDP in 2023.² However, crime in the central city, and perceptions that the area is unsafe, are having a negative impact on businesses, residents, and domestic and international visitors. The significant disruption caused by construction of the City Rail Link (CRL) has been an aggravating factor, directly impacting businesses and concentrating antisocial and street level criminal activity around the construction works.

¹ A BID is a specified commercial area designated for a targeted rate applied to all business rated properties, with boundaries agreed by the local board and business association. Business associations work with the local boards to operate BID programmes in their communities, delivering a suite of economic activities that respond to local challenges and opportunities.

² The Auckland region as a whole contributed 38 per cent of national GDP in 2023.

- 4 In 2023, funding was provided from the PoCF to BIDs and Local Boards across Auckland to implement initiatives to reduce criminal and antisocial activities. While initial indications are that these initiatives have been effective, the city centre remains a hotspot for reported crimes such as assaults and robbery. I propose providing further funding to the Local Board and BIDs in the city centre and its immediate surrounds for the next three years, through to the scheduled opening of the CRL in 2026.
- 5 In December 2024, Cabinet amended the process and criteria for accessing the PoCF while also noting that this proposal would progress under the previous settings [SOU-24-MIN-169 refers]. This proposal will fund initiatives consistent with criteria 4 of the previous settings 'to address crime-related harm to communities and improve community wellbeing'. Initiatives that are funded through this proposal will also serve to reduce the incidence of violent crime, contributing to achieving the revised single criterion of the PoCF. Consistent with the previous process for accessing the PoCF, this proposal has received pre-approval from the Minister of Finance.
- 6 The level of annual funding proposed is consistent with that provided in 2023, with a modest 10 per cent increase to account for cost pressures. The total amount requested from the PoCF, to be distributed over 3 years, is \$1.352 million.
- 7 New Zealand Police (Police), will be the central government partner responsible for receiving and disbursing the funds annually to Auckland Council (Council). Police will also support Council, the Local Board and BIDs as funding initiatives are developed and implemented to ensure that initiatives undertaken are consistent with the objectives of the PoCF. My officials at the Ministry of Business Innovation and Employment will work with Auckland Council to provide me with an annual monitoring and evaluation report on how the money has been spent.

Crime in the central city

- 8 Statistics show that Auckland's city centre is disproportionately impacted by crime and antisocial behaviour on the city's streets. This has negatively impacted perceptions of safety by businesses, residents, and national and international visitors, and is having a chilling effect on social cohesion and economic activity. The Auckland city centre contributed 8 per cent of national GDP in 2023. Given the significance of the area to the national economy, and its role as our international gateway to visitors and investment, there is a risk that the impacts of these negative perceptions are felt nationally.
- 9 There are several actions underway that are supported by central government to address crime and safety in the central city and reduce violent crime. The Minister of Police has convened a working group of stakeholders, including representatives from business, the community and both central and local government, to coordinate a holistic response.

Initiatives include a Ministry of Social Development led City Centre Focus Group (including representatives from central government, local government and Non-Governmental Organisations) to better coordinate a response to social housing and homeless concerns, and a commitment by Police to provide a more visible presence on city centre streets.

- 10 Police has signed a lease agreement to gradually take full occupancy of 210 Federal Street from January 2025. Once it is ready in mid-2025, a public counter will be open allowing people to access policing services. The new Police Base is centrally located near Aotea Square and is across the road from Te Wahihorotiu Railway Station. This location will enable Police to deploy easily across the city from K Road to Quay Street. Alongside the Police Beat Teams, that are supporting visibility and response around the inner city, the new Police Base will enable Police to have a strong CBD presence.
- 11 As Minister for Auckland, I welcome these initiatives. I particularly value the coordination across agencies to ensure that the underlying causes of some criminal and antisocial activity such as mental health and homelessness are addressed, enabling enduring solutions. While these initiatives are primarily focused on social outcomes, there is an opportunity to further strengthen our response by supporting the business community to provide initiatives that more directly address the economic cost of crime, anti-social behaviour and the environmental factors that contribute to violent crime.

Focus on city centre and fringe areas through to mid-2025

- 12 Police data³ shows that reported victimisation crime⁴ in Auckland in the year to 31 October 2024, increased 1.5 per cent on the previous year. The city centre has the highest concentration of crime, accounting for 7.6 per cent of reported victimisation crime over this period. For reference, Manukau is the second highest area, accounting for 3.9 per cent of the total.
- 13 The extensive street level construction activity associated with the CRL has also contributed to the issues in the central city. Police and community patrols have noted a concentration of antisocial activity adjacent to the road works, and this has compounded the direct impact of the construction activity on businesses. Without intervention, the impact will likely remain significant until the CRL is operational in 2026.
- 14 While the immediate impact has been particularly noticeable in the city centre, there is a risk that any initiatives to address crime and safety concerns in the centre will displace criminal and antisocial activity to adjacent areas. On that basis, I consider that funding proposed in this paper should be directed to the city centre and central fringe areas – specifically the BIDs and Local Board in the Waitemātā Local Board area.

³ Data source <https://www.police.govt.nz/crime-snapshot>. The city centre figure includes the Auckland Central West, Auckland Central East and Auckland Harbourside reporting areas. The Manukau figure includes the Manukau Central reporting area.

⁴ Includes assault, sexual assault, abduction, robbery, burglary and theft.

Previous funding for Auckland from the Proceeds of Crime Fund

- 15 In November 2022, decision making Ministers approved an application for \$1.000 million to Council for the purposes of preventing local crime in the Auckland community. The funding was contingent on matched funding by Council, providing a total of \$2.000 million. Administration of the funds was at the discretion of Council, in collaboration with Police. Release of funds requires a partner agency, with the Ministry of Social Development (MSD) fulfilling that role for the funds released in 2023.
- 16 Council decided to provide the funds across the city, split evenly between Local Boards and BIDs. The Local Board allocation was provided on a per capita basis while each BID received a proportion based on its existing investment in crime and safety initiatives.
- 17 The central city and its immediate fringe are covered by the Waitematā Local Board area and the Heart of the City, Karangahape Road, Newmarket, Parnell, Ponsonby and Uptown BIDs. Funding provided to these entities in 2023 from the PoCF and the matched Council contribution, totalled \$409,624 (see below - Table 1: Previous and proposed funding allocation).
- 18 Council is in the process of collating a detailed report on how the 2023 funds were spent and the impact that they have had. While that report is still some months away from completion, key initiatives have included investing in additional CCTV cameras, employment or contracting of security patrol personnel, use of licence plate identification camera technology and the employment of a dedicated resource, located in the Newmarket Police Station, to review all available CCTV footage. Initial indications are that the package of initiatives has had a positive impact for businesses in the region.

Proposed additional funding

- 19 While the previous funding from the PoCF was only provided for one year, BIDs have typically decided to continue to fund initiatives within baseline. BIDS have a constrained budget largely derived from targeted rates for businesses so continuing to fund these initiatives, while welcomed by the business communities, has meant that the ability of BIDs to fund other activities has been significantly curtailed. These other activities include business attraction and promotional activities which are particularly important for businesses still recovering from the impact of COVID-19 restrictions, adverse weather events and significant economic headwinds.
- 20 I propose that funding is provided from the PoCF to provide further support for these valuable and ongoing initiatives. I see this as particularly important for the next three years while the disruption of the CRL-related construction activity continues to be an aggravating factor for criminal and antisocial activity in the city centre.

- 21 While the process and criteria for accessing the PoCF was amended in December 2024, Cabinet noted my proposal to fund initiatives aimed at addressing crime and safety in Auckland’s city centre area and that it would be considered under the previous PoCF criteria [SOU-24-MIN-169 refers]. This proposal is consistent with criteria 4 of the previous settings ‘to address crime-related harm to communities and improve community wellbeing’. By directly addressing environmental factors that contribute to crime and safety concerns in the central city, funded initiatives will also support the revised single criterion of the PoCF ‘to reduce violent crime’. Consistent with the previous process for accessing the PoCF, this proposal has received pre-approval support for an out-of-cycle funding request from the Minister of Finance.
- 22 Given ongoing cost pressures, I propose a modest 10 per cent increase in annual funding from that provided in 2023, and that it is allocated on the same percentage split as in 2023. The previous funding provided in 2023, proposed annual funding for the next three years and how this is allocated between the relevant BIDs and the local board is shown in the table below.

Funded entity	2023 Previous funding	2024-27 Proposed funding
<i>Business Association</i>		
Heart of the City Business Association	\$136,954	\$150,649
Karangahape Road Business Association	\$35,652	\$39,217
Newmarket Business Association	\$99,301	\$109,231
Parnell Incorporated	\$74,987	\$82,486
Ponsonby Business Association	\$9,636	\$10,600
Uptown Business Association	\$7,227	\$7,950
<i>Local Board</i>		
Waitematā Local Board	\$45,867	\$50,454
Total annual funding	\$409,624	\$450,587
TOTAL 3 YEAR FUNDING		\$1,351,761

Table 1: Previous and proposed funding allocation

- 23 I am not proposing that this application to the PoCF is contingent on matched funding from Council. I am aware that Council has budgeted funds to address related concerns across the city. Providing the additional funds proposed in this paper will complement existing Council programmes.
- 24 I propose that the funds are provided to Police, as the central government partner agency. Police will provide the funds annually to Council, who will oversee the disbursement of the funds, consistent with the table above. Council and Police will be responsible for ensuring funds are spent appropriately and support existing or new initiatives that are consistent with the objectives of the PoCF. Ministry of Business Innovation and Employment will be responsible, with Council, for quarterly reporting to myself, as Minister for Auckland, to demonstrate that funds are spent appropriately and effectively.

- 25 Auckland Central Police are supportive of the proposed funding and have noted the opportunity to take a more active partnership approach to that undertaken in 2023. Ensuring that existing and new initiatives operate effectively and efficiently alongside Police programmes, including those targeted at meeting government targets for the justice sector, will ensure the maximum value is realised from the proposal.

Cost-of-living Implications

- 26 The proposals in this paper will not have implications for the cost of living.

Financial Implications

- 27 The proposals in this paper will require funding from the Proceeds of Crime Fund. There are no additional financial implications.

Legislative Implications

- 28 There are no legislative implications arising from the proposals in this paper.

Impact Analysis

- 29 A Regulatory Impact Statement is not required for this paper. A Climate Implications of Policy Assessment is also not required.

Population Implications

- 30 There are no population implications arising from the proposals in this paper.

Human Rights

- 31 There are no human rights implications arising from the proposals in this paper.

Use of External Resources

- 32 No external resources will be required to implement proposals in this paper.

Consultation

- 33 In preparing this paper I have consulted with New Zealand Police and the Ministry of Justice.

Communications

- 34 I will manage the communications approach in consultation with other Ministers' offices, as appropriate.

Proactive release

- 35 I intend to proactively release this paper within 30 business days of Cabinet decisions.

Recommendations

The Minister for Auckland recommends that Cabinet:

- 1 **Note** the economic and social impact of crime and safety concerns in Auckland’s city centre;
- 2 **Note** that crime statistics identify the city centre as a hot spot for reported crime and, given the significance of the Auckland city centre to the regional and national economy, criminal and anti-social activity in the central city area has a disproportionate economic impact compared to other areas of Auckland;
- 3 **Note** that initiatives to address crime and safety in the Auckland city centre may displace criminal and antisocial activity to the immediately adjacent areas;
- 4 **Note** that a City Centre Focus Group initiated by the Minister of Police and led by the Ministry of Social Development is implementing a suite of initiatives to address the social impacts of crime and safety concerns in the Auckland city centre;
- 5 **Agree** to provide funding of \$1.352 million to address crime and negative perceptions of safety in the Auckland City Centre, with the funds for the initiative to be provided from the Proceeds of Crime Fund;
- 6 **Agree to establish the following appropriation:**

Vote:	Police
Appropriation Minister:	Minister of Police
Appropriation Administrator:	Police
Title:	Third Party Crime Prevention Activities
Type:	Non-Departmental Output Expense
Scope:	This appropriation is limited to addressing crime and negative perceptions of safety through services provided by third parties.

- 7 **Agree** to grant an exemption from end-of-year performance reporting for the appropriation Third Party Crime Prevention Activities in Vote Police, established at recommendation 6 above, under section 15D(2) of the Public Finance Act 1989;

- 8 **Approve** the following changes to appropriations to give effect to the recommendations above, with a corresponding impact on the operating balance and net core Crown Debt:

Vote Police Minister of Police	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Non-Departmental Output Expense: Third Party Crime Prevention Activities (funded by revenue Crown)	0.450	0.451	0.451	-	-

- 9 **Agree** that the proposed changes to appropriations for 2024/25 above be included in the 2024/25 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 10 **Agree** that while there is a corresponding impact on operating balance and net debt, the above appropriation change is funded by the Proceeds of Crime Fund and is therefore fiscally neutral and not charged against any Budget allowances;
- 11 **Agree** that Police will be the central government partner agency, fulfilling duties as required under the Proceeds of Crime Fund, and taking an active partnership role in the delivery of existing and new initiatives;
- 12 **Agree** that Auckland Council will be responsible for disbursing the funds annually for three years to the Business Improvement Districts and the Local Board in the Waitemātā Local Board Area;
- 13 **Agree** that the Ministry of Business Innovation and Employment and Auckland Council be requested to provide an annual monitoring and evaluation report to the Minister for Auckland, demonstrating that funds have been spent on initiatives consistent with the objectives of the Proceeds of Crime Fund.

Hon Simeon Brown

Minister for Auckland