

Cost Recovery for Certain Police Services

PUBLIC CONSULTATION PAPER

DECEMBER 2012 – MARCH 2013

How to make a submission

This section details how to make a submission, what happens to your submission if you make one, and how the Privacy Act applies.

Making a submission

This consultation paper seeks your views on cost recovery for certain Police services. Your feedback will help to shape the final proposals for Government consideration.

We encourage you to give your views on the questions and proposals set out in this paper, and to provide any other comments you may have about the matters discussed. To assist you with your response, a feedback document accompanies this paper with questions and space to provide comments. You do not have to use this document to make a submission. Please include your name, organisation and contact details in your submission.

You do not have to answer the questions on every issue if you feel you do not have adequate knowledge to comment. If you wish to raise further issues not covered in this paper, please take the opportunity to do so.

If the Government decides to make changes to a statute, you will have a further opportunity to make a submission to a Parliamentary Select Committee, which must consider any proposed changes before legislation is passed.

The closing date for submissions is **5 March 2013**.

Please send your submission to:

Submissions on Cost Recovery for Certain Police Services
Policy Group
Police National Headquarters
PO Box 3017
WELLINGTON, 6140

Email: cost.recovery@police.govt.nz

Police will analyse all the submissions received, and they will be taken into account when Police reports back to Government with recommendations.

Please note that the information you provide will be held by the Police. It may be made available to members of the public who request copies of submissions. Any information that you do not wish to be made public should be clearly marked CONFIDENTIAL. Any request for confidentiality is, however, subject to the Official Information Act 1982 and public interest considerations which may outweigh any confidentiality considerations.

Privacy

The Privacy Act 1993 governs how Police collects, holds, uses and discloses personal information provided in your submission. You have the right to access and correct this personal information.

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Definitions of terms in this consultation document

Term	Explanation
Additional service	A service (or component of a service) provided by Police that Police has determined goes beyond Police's public duty obligations, as it is largely a private good and there may be alternatives to Police's provision of the service.
Police	Except where relevant to other jurisdictions, Police is used in this document to mean the New Zealand Police.
Police services	The services that Police provides that benefit external parties, such as the general public, specific users, and other government departments.
Policing Excellence	The New Zealand Policing Excellence Programme. For more information, see http://www.police.govt.nz/policing-excellence
Vetting check	The supply by Police of criminal history and relevant incidents for a single applicant who may have one or more identities.

Introduction

The Government is considering a proposal for cost recovery for certain Police services

The Government is considering introducing an amendment to the Policing Act 2008 that would enable the New Zealand Police to recover the costs of providing certain services.

Cost recovery is being considered as part of a wider programme to improve the services that Police provides. Police is striving to ensure that resources are carefully prioritised to deliver a sustainable and efficient service to all New Zealanders. Overseas experience shows that recovering the costs of providing certain services is one way that Police can continue to make available services that represent value for money.

No decisions have yet been made about cost recovery for certain Police services and therefore this is not Government policy.

The intention of this consultation document is to seek your views on this proposal and to provide a platform for a focused public discussion on cost recovery to take place. This paper sets out relevant information on cost recovery, the nature of the proposal Police is considering, and the matters on which public views are sought.

Structure of this consultation document

This document is structured as follows:

- ▶ **Section One** describes why Police is exploring cost recovery for certain Police services;
- ▶ **Section Two** sets out a proposed framework for cost recovery;
- ▶ **Section Three** discusses how this framework might apply specifically to one service that Police currently provides: the Police vetting service. Case studies are provided to describe the possible outcomes of cost recovery, including both the potential benefits and any risks. Police intends to use the consultation period to further discuss this proposal with key vetting stakeholders to determine the impacts of cost recovery and how cost recovery could be implemented;
- ▶ **Section Four** examines the potential benefits of cost recovery and the anticipated issues and concerns are discussed more fully.

Your views are sought on this proposal

Broadly speaking, your views are sought in respect of three matters:

- What do you think about the idea of cost recovery for certain Police services?
- Do you agree with the framework for cost recovery as outlined in this paper, including the principles and criteria used for identifying services for cost recovery?
- How might you be affected by cost recovery for the Police vetting service?

There may be some options that you think are missing, or some suggested here that you do not think are practical or appropriate. Police does not want to charge for services if that will adversely impact on public safety and confidence in New Zealand's justice system. Police especially wants to hear how you think the possible charges would affect you and New Zealanders generally.

Section One – Background

This section sets out the drivers for exploring cost recovery for certain Police services. The key points are:

- Cost recovery is being considered as part of a comprehensive approach to ensuring excellence in Policing services;
- Police is committed to providing quality services effectively and efficiently. Cost recovery provides an opportunity to better provide front-line services, such as preventing crime;
- Amending the Policing Act 2008 to enable cost recovery is consistent with modern policing in other countries. It would also bring Police's legislative framework into line with other government agencies in New Zealand.

1. Status quo

Under section 9 of the Policing Act 2008, the primary functions of the New Zealand Police are:

- Keeping the peace;
- Maintaining public safety;
- Law enforcement;
- Crime prevention;
- Community support and reassurance;
- National security;
- Participation in policing activities outside New Zealand (as required); and
- Emergency management.

In carrying out these functions, Police provides a wide range of services to the general public and to specific agencies. Currently, all services are financed out of Police's baseline funding and there is (in most cases) no fee or charge attached to the provision of the service.

Unlike legislation setting out the core statutory functions of other government agencies, the Policing Act 2008 does not currently enable Police to charge for any of the functions designated under the Act (although it does not explicitly preclude cost recovery). As a result, Police has limited or no control over certain aspects of resource allocation and is unable to expand its resources.

Including specific cost recovery provisions in the Policing Act 2008 would enable a formal cost recovery framework to be put in place, with appropriate public scrutiny for each service considered for cost recovery.

2. Problem definition

Police currently has no ability to recover costs under the Policing Act 2008. As a result:

- The status quo does not allow Police to fully meet its objectives for maintaining excellence in Police services. To contribute to its objectives, Police must make changes to how services are provided;
- The allocation of resources across competing services is finely balanced. The future sustainability of Police services depends on there being room for improvements or investment in new areas requiring additional Police resources; and
- All services are (with minor exceptions) currently provided free of charge, regardless of the levels of private and public benefit, which creates unfairness between users of the service(s) and taxpayers.

3. The Government wants to ensure that taxpayers receive value for money from public spending on Policing services

As a state sector agency, Police is constantly striving to deliver better quality services to all New Zealanders as effectively and efficiently as possible. This means providing top-quality services, as well as providing them in a way that is fair to all taxpayers.¹

Police has committed to a programme to examine the way that resources are currently used, how it can improve service delivery, and how it can provide better value for money within the Police and wider Justice Sector.²

One of the things that Police has identified is that across all of the services that are currently provided, Police considers the majority to be services it provides for the benefit of the general public. There are other services, however, that Police considers go beyond general public policing.

Police does not want to simply stop providing any service, or to provide any service at sub-optimal levels. Recovering the costs of providing certain services is one way that the Police can continue to provide them without compromising the provision of front-line services. This approach would shift funding for certain services from general taxation to the specific users or beneficiaries of the service.

Ultimately, cost recovery provides an opportunity to free up some Police resources and better ensure funding is focussed on areas that more directly contribute to the prevention of crime and to safer communities in New Zealand.

¹ Refer to the New Zealand Police website for more information about the Police, including the Policing Act 2008 at www.police.govt.nz

² This is in reference to the New Zealand Policing Excellence Programme. Refer to <http://www.police.govt.nz/policing-excellence> for more information on the initiatives included in this programme.

4. The concept of cost recovery is not new

The concept of cost recovery is not new for the Government. Cost recovery is common for many public sector agencies in New Zealand, both at the local and central government level.

For example, the Ministry for Primary Industries has a system in place to recover the costs of providing fisheries and conservation services³ and, under the Building Act 2004, local councils have the authority to charge for building consents, undertaking building inspections and a range of other services. The Department of Internal Affairs also recovers the cost of processing citizenship grant applications, and Immigration New Zealand recovers the cost of processing immigration visa applications.

Police already recovers the costs of performing a limited number of policing functions in particular circumstances. For example:

- ▶ Under the Arms Act 1983, regulations have been made that prescribe fees payable in respect of all firearms and firearm dealer's licence applications;⁴
- ▶ Police receives reimbursement for costs associated with vetting checks for commercial vehicle driver endorsements (e.g. taxi drivers and tow-truck operators) under the Land Transport Act 1998;
- ▶ As with other Government agencies, Police has the ability under the Official Information Act 1982 to charge for the costs of processing certain requests for information.

In these situations, the legislation that enables the cost recovery is not contained within the Policing Act 2008 but within other legislation. The proposal outlined in this consultation paper is to amend the Policing Act 2008 to enable further cost recovery by Police. This would represent an extension of current practices by Police in line with other government agencies in the provision of services to New Zealanders.

5. The proposal for cost recovery for certain Police services would bring the New Zealand Police in line with international practice

Cost recovery is usual practice for Police forces of other democratic countries. The New Zealand Police remains one of the few police forces which does not currently have legislation that explicitly allows for some degree of cost recovery for the delivery of certain Police services. Legislative change to introduce cost recovery would bring New Zealand into line with other comparable overseas jurisdictions.

There are many international examples to draw upon where cost recovery has been successfully implemented for the provision of certain Police services, including in the jurisdictions of the United Kingdom, Canada and Australia. A common feature of such cost recovery arrangements is that they follow guidelines set out in legislation. Some of the services where costs are recovered internationally are set out in **Table 1**.

³ The fisheries cost recovery regime, which is legislated under Part 14 of the Fisheries Act 1996 enables the Crown to recover its costs in respect of the provision of fisheries and conservation services, as far as practicable, from those people who benefit from the provision of those services or cause the adverse effects that the services are designed to avoid, remedy or mitigate.

⁴ The legal authority for charging for firearms licensing is in Section 74 of the Arms Act 1983, which Police is responsible for administering. The costs associated with this service are charged as set fees to the individual applicants for licences and endorsements on licences, as set out in the Arms Regulations 1992. Refer to the New Zealand Police website for more information about the firearms licensing service provided by Police at <http://www.police.govt.nz/service/firearms/>

Table 1: Examples of types of cost recovery by Police in overseas jurisdictions

Types of services	Examples
Attending events	Commercial events such as music festivals and concerts
Providing information	Criminal records checks; insurance reports; witness in a legal proceeding; and transcripts ⁵
Licensing	Firearms licensing; permits; and security licensing
Vehicles	Removals; and storage and disposal
Other	Custody for persons wanted in immigration; attending false alarms; traffic management for private business; and provision of wardrobe and props etc.

The rationale that is commonly given for introducing cost recovery for the types of services in the above table is to shift the burden of paying for certain Police services from the taxpayer to the commercial providers or agencies that benefit from the service. In this sense, cost recovery is about letting the costs for services lie where they fall and enabling a better use of Police resources.

The frameworks for cost recovery in the United Kingdom and Australia in particular have informed the way that the New Zealand Police has approached the concept of cost recovery and the nature of the proposal in this document. These frameworks are briefly discussed below.

5.1 Cost recovery by Police in the United Kingdom

United Kingdom Police are obliged to provide law and order services to the public free of charge, but can receive payment for additional or “special” services on request.

Police work is considered to be “special” if (a) attendance has been requested to provide a level of service beyond what Police and the public consider necessary to meet Police’s public duty obligations, or (b) they are services for which, if Police does not provide them, there is an alternative provider which the requester needs to pay for out of his or her own pocket. These services are generally provided to one-off events such as music festivals and football matches.⁶ This principle has been codified into section 25 of the United Kingdom Police Act 1996. The rate at which the Police can receive payment for special services is set by the relevant Police Authority.⁷ The Association of Chief Police Officers (ACPO) has issued guidelines on charging for police services to give clarity to the charging framework and at the same time provide a basis for a more consistent outcome.⁸

The ACPO charges fees for Police Certificate Applications from applicants wishing to seek visas to emigrate to a number of other countries. The certificate details whether or not the individual has a criminal record in the United Kingdom and is required as part of the visa process by the respective High Commission or Embassy.

The Criminal Records Bureau in the Home Office charges a fee to process criminal record checks.

⁵ For example, the Windsor Police in Ontario, Canada, has a fee schedule for providing certain services, including information services. This covers insurance confirmation requests, fingerprinting (non-criminal), criminal record checks, and volunteer criminal record checks. As at 1 July 2010, a Police criminal record check cost CAD\$45.00. Refer to the Windsor Police website for more detail www.police.windsor.on.ca

⁶ The London Police Service provides a service whereby organisations can hire off-duty police officers for special events and other approved duties which are outside regular patrol parameters. Special paid duty functions are generally: community events, business security, traffic control, school events, concerts, sporting events, and wide load traffic escorts.

⁷ Within the United Kingdom, there are over fifty police forces that have varying frameworks for cost recovery for special services.

⁸ Refer to *Paying the Bill: ACPO guidelines on charging for police services*, which is available at <http://www.acpo.police.uk/ProfessionalPractice/FinanceandResources.aspx>

These are based on a scale of fees, ranging from standard checks (£26) to enhanced checks (£44) and no fee for volunteers.

5.2 Cost recovery by Police in Australia

There are many examples of legislation allowing the Australian Police to charge fees for certain policing services. The principle of user pays and the basis for charging for these services have been accepted nationally through the Australasian Police Ministers' Council's *Principles for the Application of User Pays Policies for Police Services*, which was published in 1995. However, different states have different approaches and frameworks for cost recovery for certain Police services.

In New South Wales, the Police can recover the costs of attending sporting and entertainment events, as well as providing supplementary Policing services to local councils and shopping centres. In 2010, the New South Wales Police released a *Cost Recovery and User Charges Policy*, which is designed to assist in achieving efficient, effective and equitable use of scarce public resources.

In Victoria, regulations can be made to prescribe services that may be charged for. Currently, the Police can charge for policing services at sporting and entertainment events that charge for entry and are commercial in nature, for providing escort or guard services, and for the provision of certain information.

The ability to charge for Police record checks is set out in the Victorian Police Regulation (Fees and Charges) Regulations 2004, which provide that the Chief Commissioner of Police may impose charges for the provision of information held on Police files (section 5), and for other police services, including criminal history services involving a search of all relevant police records to provide notification to an organization accredited by the Police about the existence of a criminal history.

5.3 Fees for Police Checks

The Australian Federal Police charge a fee of A\$42 for each National Police Check application from a government department, individual or non-government organization (e.g. commercial entities such as a broker). National Police Checks are provided for people seeking employment with the Commonwealth Government, people requiring a check under Commonwealth legislation, Australian immigration purposes, overseas employment, and visa applications for overseas travel (among other purposes).

The Victoria Police charge a fee of A\$34 for the provision of National Police Record Checks, which are provided to all Victorians who wish to obtain a check for employment, voluntary work or occupation-related licensing or registration purposes. Victoria Police does not conduct police record checks for overseas or interstate applicants, temporary/permanent residency or citizenship. Volunteers, student placements and persons who qualify under the Family Day Care Scheme as an adult residing with a Family Day Care provider can obtain a National Police Certificate at a reduced fee of A\$15.50, on provision of a valid Community Volunteer Fee (CVF) number by an organization registered with the Police.

The New South Wales (NSW) Police charge NSW residents a fee of A\$52 for the provision of National Police Checks for visa, adoption, paid general employment, some occupational licensing purposes and for volunteers working in Commonwealth supported aged-care facilities. The NSW Police Force does not provide checks for child-related employment. National Police checks for volunteers working in Commonwealth supported aged-care cost A\$15.

The Western Australian Police do not “clear” individuals for employment or licensing purposes, but a National Police Certificate is available by application from Western Australian residents for a fee of A\$62.75. The Certificate lists an individual’s criminal and traffic court outcomes, and pending charges that are deemed disclosable at the time of application. The certificate is used by many employers and licensing bodies as part of their screening process.

The Tasmanian Police charge a fee of A\$45 for the provision of a National Police History Record Check. However, one copy of an applicant’s Tasmania Police History Record can be provided free of charge every twelve months. Volunteers may be eligible to receive a National Police History Record Check at a reduced fee of \$5.

South Australia Police (SAPOL) provide a number of information services to the public, including release of National Police Certificates for a fee of A\$55, A\$39.50 (concession rate), A\$35.50 for volunteers without a volunteer organization authorization number, or no charge for volunteers with a volunteer organization authorization number.

Northern Territory Police also charge a fee for the release of criminal history information.

In Australia, CrimTrac provides a national criminal history information sharing service for Australia’s police, law enforcement and national security agencies, to enable police to easily share information with each other across state and territory borders. A standard National Police Criminal History Check costs A\$23 (excluding GST) and A\$5.15 (excluding GST) for volunteers.

6. The New Zealand Police has previously considered cost recovery

The New Zealand Police first sought public feedback on the possible introduction of cost recovery in 2006 during a review of policing legislation, which resulted in the Policing Act 2008.⁹

During the public consultation process, the public was asked whether the new Policing Act 2008 should contain provisions enabling the future development of cost recovery for certain policing services if, and when, appropriate.¹⁰

The consultation found that New Zealanders’ views were mixed, with the majority of those that submitted a response giving cautious support for the idea of cost recovery.¹¹ In response to the comments provided, Police decided to consider cost recovery as a valid proposal at a later stage.

Reviewing cost recovery now is timely. It provides an opportunity for Police to provide more efficient services by directing taxpayer monies to services that more directly deliver safe and secure communities and reduce crime. However, Police will not recommend any changes before the public has had a chance to consider and provide its views on the proposed cost recovery framework.

Question 1: Do you believe that Police should be able to recover all or some of the costs of providing certain services?

9 Refer to the New Zealand Police website for more information about Police, including the review of the 1958 Police Act and the new Policing Act 2008 at www.police.govt.nz

10 The scope of services was not defined, but an example that was subject to a survey by UMR Research Limited was “Do you support or oppose Police being able to recover costs from event organisers for policing at large events such as rock concerts”. Out of 750 respondents 73% supported cost recovery in these circumstances.

11 Further details can be found in the Police Act Review summary document: *Public views on policing: An overview of submissions on Policing Directions in New Zealand for the 21st Century*.

Section Two – Framework for cost recovery

This section details the framework for cost recovery being considered by Police.

The key elements of this framework are:

- › **Principle-based:** cost recovery would be based on a set of robust and clear principles;
- › **Scope:** Police is seeking an amendment to the Policing Act 2008 that would enable cost recovery for the Police vetting service; and
- › **Selecting services:** cost recovery would only apply to certain services. Police proposes a set of criteria to identify services that may be considered for cost recovery.

Your views are sought on all aspects of this framework.

1. What principles would cost recovery be based on?

Police is committed to a robust approach to cost recovery. It is proposed that cost recovery would be based on the following principles.

- › **Equity** – cost recovery is fair and is applied to the users of the service. Charges should accurately reflect the costs of service provision, and be based on an assessment of the public and private benefits generated by the service in question;
- › **Quality** – cost recovery must further Police and Government outcomes and the services provided should be provided to a standard that reflects the charges applied to the service;
- › **Efficiency** – clear systems and processes are in place to ensure that fees are simple and predictable, ensuring minimal compliance and administrative costs; and
- › **Transparency** – there are no surprises. The charging methodology is clear and transparent to both providers and receivers of the service.

These principles have been adapted from guidelines for charging in the public sector issued by the Auditor-General in 2008 and the Treasury in 2002, as well as the United Kingdom Association of Chief Police Officers (ACPO) guidance on charging for Police services.

**Question 2: Do you agree with the stated principles for cost recovery?
Are there any principles which you think are missing?**

2. What is the scope of cost recovery that is being proposed?

One service is initially being proposed for cost recovery. This is the Police vetting service. No further Police services are being considered at this stage as part of the proposal.

An amendment to the Policing Act 2008 to enable cost recovery does not mean that Police could then choose, at a whim, to recover the costs of any of the other services that are currently provided. Rather, the amendment would only be used initially to make regulations to charge for the

specific service identified in this paper. Any subsequent regulations for other services would need to be based on a clear justification for why a particular service was eligible for cost recovery, and would involve public consultation on the service proposed for cost recovery.

Cost recovery means setting a charge for a service in order to recoup the full or partial costs of providing that service. The charges are usually fees, but sometimes levies may be used.

There are two options available to Police with regards to the costing methodology to be applied to recover the costs of providing certain services: full economic cost recovery and direct cost recovery.

2.1 Option 1: Full economic cost recovery

Under this option the total costs of providing a service, including both direct costs (e.g. labour costs and operating costs) and indirect costs (e.g. overheads and depreciation) are calculated. Fees or charges are then set to cover the total costs. This means that if cost recovery were to be implemented for a particular service, Police could continue to provide the service but it would not be funded from general taxation.

2.2 Option 2: Direct cost recovery

Under this option the full amount of the direct costs (e.g. labour costs and operating costs) would be recovered by the charge or fee. However, other, indirect, costs (e.g. overheads and depreciation) would be funded by general taxation. This means that if cost recovery were to be introduced for a particular service, the Police could continue to provide the service but it would not be so much of a cost to the taxpayer.

Police's preference is the full economic cost recovery option. Overseas experience is that the full cost recovery option is a more transparent approach in that it is clear what is to be recovered. Partial cost recovery can lead to some confusion or inconsistency on what is and is not recovered. If implemented, the objective would be to minimise, as much as possible, any administrative burden or complexity when charging for the service.

Separate to the question of full economic cost recovery or direct cost recovery is the proportion of the total service from which Police would seek to recover costs. Police considers that the proportion of the service for which fees would be sought should vary according to the balance of public and private benefits generated by the service in question. Mechanisms such as fee exemptions may also be considered appropriate in some cases in order to ensure that the service is accessible to all potential users.

Question 3: Do you support allowing the Police to recover the full economic cost of providing certain services, and not just the direct cost? If not, why not?

3. What criteria would be used to identify services as being eligible for cost recovery?

For the most part, the services that Police provides are part of general public policing and can be considered as “public goods”.¹² Examples of these kinds of services include conducting criminal investigations and prosecutions. In these situations, it is appropriate that general taxation is used to fund the provision of these services.

There are other services that Police considers to be additional to general public policing, where the service generates a predominantly private benefit. In such cases, Police considers that the user of the service is the primary beneficiary of the service (rather than the general public). Police considers that those who benefit from utilising the service in question should be responsible for bearing the costs of its production.

A further consideration is whether there are alternatives to Police’s provision of the service. The existence of an alternative does not necessarily mean that the Police should not provide the service (or that cost recovery is not appropriate if there is no alternative). It means that the user of the service has other options available and these are often at a cost. As Police’s provision of the service is currently free, it is usually the default provider and Police services are over-consumed in the first instance.

Table 2 provides some examples of services that Police considers to be services provided for the benefit of the general public and those that are additional services.

Table 2: Examples of general public services and additional Police services

Appropriation	General public services	Additional services
Preventing general crime	<ul style="list-style-type: none">➤ Providing a Youth Education Service➤ Deploying Iwi Liaison Officers➤ Providing data security and electronic related offending advice➤ Checking premises and interviewing new second-hand dealers and traders	<ul style="list-style-type: none">➤ Dealing with lost/found property➤ Supervising lottery draws➤ Running the NZ Police Museum➤ Wardrobe and prop supply➤ Issuing licences under the Arms Act➤ Vetting checks➤ Fingerprinting for visa or residency permits

¹² Public goods are defined as those for which it is difficult or costly to exclude people from receiving their benefits (that is, they are non-excludable), and their use by one person does not detract from their use by another (that is, they are non-rival).

Preventing specific crime and maintaining public order	<ul style="list-style-type: none"> ➤ Maintaining order at public events ➤ Providing witness protection 	<ul style="list-style-type: none"> ➤ Maintaining order at commercial events ➤ Providing Police escorts (e.g. for the Reserve Bank) ➤ Keeping peace at repossessions ➤ Police's presence at airports
Managing Police primary response	<ul style="list-style-type: none"> ➤ Dispatching in response to calls for assistance ➤ Attending incidents and emergencies 	<ul style="list-style-type: none"> ➤ Not applicable
Investigations	<ul style="list-style-type: none"> ➤ Conducting criminal investigations 	<ul style="list-style-type: none"> ➤ Conducting some non-criminal investigations (e.g. responding to insurance company enquiries)
Resolving cases and supporting the judicial process	<ul style="list-style-type: none"> ➤ Prosecuting criminal cases ➤ Executing court orders, fines warrants and arrest warrants ➤ Escorting and holding people in Police cells following arrest ➤ Seizing, storing and disposing of property (proceeds of crime) 	<ul style="list-style-type: none"> ➤ Not applicable
Applying the road safety programme	<ul style="list-style-type: none"> ➤ Performing highway patrols ➤ Operating speed and traffic cameras ➤ Detecting and reducing the numbers of drunk or drugged drivers ➤ Providing visible road safety enforcement 	<ul style="list-style-type: none"> ➤ Not applicable

Not all additional services will be appropriate for cost recovery. Police has developed a wider set of criteria for assessing the eligibility of Police services for cost recovery (**Table 3**). These criteria are based on the criteria for charging for services in the public sector set out in the Treasury and Auditor-General Guidelines.

Table 3: Criteria for shortlisting Police services for possible cost recovery

Criteria	Description
Reasonableness / suitability	It is reasonable to charge for a service where it is considered to generate a largely private benefit. There may also be alternatives available to Police's provision of the service (but this is not a precondition of cost recovery).
Eligibility	The service is not already funded from third party fees and there is no existing comprehensive cost recovery in place. ¹³
Practiced internationally	A similar approach has been taken to cost recovery of the service in overseas police jurisdictions.
Legislative	It is possible to put in place clear legal authority for cost recovery (including in legislation administered by other agencies).
Financial impact	The value of possible cost recovery is medium to high (i.e. it may not be worthwhile to charge for a service if the charge does not cover the administrative costs of doing so).

3.1 Determining the level of cost recovery to be applied

Once certain services have been identified as potentially eligible for cost recovery on the basis of the criteria listed in **Table 3**, the next step is to determine the level of cost recovery that should be applied to the service in question.

This requires a public/private benefit analysis to be undertaken, in consultation with affected parties, on the identified services. This analysis will help to determine the relative amount of public and private benefit derived from Police's provision of the service and the preferred level of cost recovery, be it full or partial, with or without exemptions.

This paper contains Police's preliminary views on the level of cost recovery that it considers is appropriate for the Police vetting service.

Question 4: Do you believe Police should be able to charge for services that generate a largely private benefit?

Question 5: Do you think that the criteria used to identify services suitable for cost recovery are appropriate? Can you think of a better way of assessing services for cost recovery?

Question 6: Do you agree with the proposed process for determining the level of cost recovery to be applied (i.e. a public/private benefit analysis of the identified service)?

¹³ For example, this would exclude firearms licensing as this is already cost recovered.

Section Three – Application of Cost Recovery

One service that Police currently provides has been identified, in the first instance, as a potential candidate for cost recovery. This is the **Police vetting service**.

This section discusses the proposed application of cost recovery to this service. Case studies are provided to give an indication of how cost recovery would apply.

If cost recovery was implemented, the forecast fee per vetting request would likely be between \$5-7 (including GST) per standard vetting check; and \$10-14 (including GST) per urgent vetting check.

Your views are sought on how you would be affected if cost recovery is applied to the Police vetting service. It is important to note that this is a proposal only. Specific regulations would need to be made before Police could recover the costs of providing this service.

1. The Police vetting service

1.1 What is the Police vetting service?

Police currently provides a service where approved organisations can request all information the Police holds on a specific individual, including all convictions that an individual may have.¹⁴

This service is one of four functions provided by the Police Licensing and Vetting Service Centre.¹⁵ The other functions are firearms licensing, administering the Victim Notification System, and conducting searches of the births, deaths and marriage registers. The cost recovery proposal in this consultation document only applies to the vetting service.

Police vetting provides employers with an opportunity to screen prospective employees (or volunteers) who may be working with vulnerable members of society (such as children, older people and those with special needs). Police vetting is also used to determine whether a particular individual is of good character and fit to either:

- hold a licence that allows the holder to operate a commercial business;
- be employed (where roles entail access to vulnerable members of society, including children);
- own or control sensitive New Zealand assets;
- obtain New Zealand citizenship; or
- inform a national security clearance recommendation.

¹⁴ Individuals cannot request a Police vet check on themselves. However, they can ask for information that the Police holds about them under the Privacy Act 1993 or the Official Information Act 1982. Individuals can also request a copy of any vet undertaken on them by a third party. Police does not propose to charge for the provision of information to individuals on a cost recovery basis.

¹⁵ More information on the Police vetting service can be found on the Police website at <http://www.police.govt.nz/service/vetting/>

In 2010, the Police vetting service was upgraded to an electronic system called QueryMe, which has led to improvements in how vetting services are supplied to approved organisations.¹⁶ There are 11,500 organisations currently registered with the Police to receive vetting services. Of these, approximately 5,000 are considered to be regular users.

The vetting process involves:

- approved organisations sending a vetting request to Police through its QueryMe web-based service;
- Police locating the applicant in the database, checking all relevant information, and updating information as necessary; and
- Police endorsing the vetting check and providing stamped documentation as required.

Police will advise the approved organisation whether there was a result or no result from the search of Police records, and on occasion may provide the criminal history records.

No recommendation is given as to whether the individual should be employed. However, where information is held about behaviour that would impact adversely on vulnerable people (such as behaviour of a violent or sexual nature) which is not shown on an individual's criminal record, Police may release minimal relevant information about that behaviour. Alternatively, an electronic "red stamp" flag may be placed on the request as a way of recommending that an individual does not have unsupervised access to children, young people, or more vulnerable members of society. In the 2011/12 financial year, Police provided 446,771 vetting checks. Government entities, community service organisations and commercial organisations are users of the service. The commercial organisations which use the service are generally recruitment companies, building companies (e.g. for schools), retirement homes, health groups, kindergartens and play centres. Some of the high volume users of the vetting service are listed below (**Table 4**).

Table 4: High users of the vetting service in 2011/12

Organisations	What is the vetting check for?
Department of Internal Affairs	DIA applies to the vetting service for checks on applicants applying for citizenship.
Immigration New Zealand	Immigration NZ sends requests for checks on individuals before approving visa applications from immigrants.
New Zealand Transport Agency	NZTA seeks background checks on those applicants seeking commercial licence endorsements.
Community Services	Community service agencies (e.g. volunteer organisations, churches, and community trusts) request background checks on staff employed by the agencies.
Caregivers (Child, Youth and Family)	CYF requests providers to undertake background checks on all staff that are caring for children and young people, and other vulnerable members of society.

¹⁶ To become approved to use the vetting service, organisations currently must demonstrate that the vetting is for individuals who are responsible for providing care to children, older people or more vulnerable members of society. Police also has Memoranda of Understanding with certain government agencies for the purposes of meeting their requirements for Police vetting of individuals, for example for citizenship grant applications.

New Zealand Teachers Council	On behalf of teachers, the Teachers Council applies for vetting checks as part of the teacher registration process. By law, teachers and others employed by, or working at, schools must have a Police vet check as part of their registration, which needs to be renewed every three years.
Ministry of Education	Schools apply for vetting checks on behalf of non-teaching staff and contractors that are required by law to receive a Police vetting check.

The provision of the vetting service is not a requirement of the Policing Act 2008. However, a number of individuals are required by law to receive a Police vet check. For example, the education sector has legal requirements to have current and potential employees vetted by the Police. In particular:

- The Education Standards Act 2001 provides for mandatory Police vetting every three years for all teachers, non-teaching staff, and contractors who regularly work at schools during normal school teaching hours;
- The Education Amendment Act 2010 specifies that, in addition to teaching and non-teaching staff, every person over 17 years of age who lives in a home where a licensed home-based early childhood education service is being provided must be Police vetted;
- The Education (Hostels) Regulations 2005 provides for licensing of hostels and outlines minimum standards for hostel premises and a code of management practice. Under the regulations hostel owners must request a Police vet of all permanent staff members and all people who have regular access to the hostel or have unsupervised contact with the boarders.

In another example, under the Health and Safety in Employment Act 1992, a limited child care service provider must obtain Police vets for employees, and for any contractor and their employee who is likely to have unsupervised access to children at the centre.

Additionally, under the Land Transport Act 1998 a transport service licence may only be granted if the New Zealand Transport Agency (NZTA) is satisfied that the person is a fit and proper person to hold such a licence. There are specified matters related to any previous offending (tailored to the different types of transport services) that the NZTA must consider in assessing whether or not a person is fit and proper. NZTA uses the Police vetting service for their assessments and a police vetting fee of \$28.20 payable by licence applicants is set in Transport Regulations. This fee is then paid to Police by NZTA for each of the vetting checks undertaken by Police.¹⁷

1.2 Why cost recover for the vetting service?

As part of a possible cost recovery system, Police is considering charging for the vetting service. The rationale is that Police considers that the vetting service generates a predominantly private benefit and that it meets the criteria set out in Section Two. As such, Police considers Police vetting to be eligible for cost recovery.

1.2.1 The vetting service as a private benefit

Police considers that the primary benefit of the Police vetting service is to the users of the service. Approved organisations requesting a vetting check on an individual benefit because the information

¹⁷ NZTA is currently the only organisation that pays for Police vetting checks. In the 2009/10 financial year the NZTA requested 25,000 vetting checks and paid the Police \$705,000 in fees.

supplied allows them to make more informed decisions about the suitability of that individual for employment in the organization, to act as a volunteer, to conduct business, or to gain citizenship. This in turn helps to mitigate the risks of any issues occurring with the service they provide.

The general public only benefits indirectly from the Police vetting service in that it contributes to the overall safety of communities. Therefore, it is more appropriate that the approved agency rather than the general taxpayer funds a service that particular individuals benefit from.

1.3 Who would the charge for the vetting service apply to?

It is proposed that cost recovery for the Police vetting service would be applicable to all current and future users of the vetting service. This includes all organisations registered as approved users of the service, including government entities and third party organisations, where the individual has authorised release of the information to the government entity or third party.

However, Police is committed to ensuring that the provision of services is fair and accessible for all New Zealanders. It is therefore intended that the fee be set at a level that is reasonable, and that encourages and assists organizations to undertake vetting checks. Following consultation, cost recovery for the Police vetting service may include some exemptions, such as for volunteers, registered charities or caregiver organisations providing services to Child, Youth and Family (CYF). Alternatively a reduced fee may be considered for certain organizations. Police does not want to impose a charge on agencies that may act as a barrier or disincentive to these agencies requesting a Police vetting check.

1.4 How much would be charged for the vetting service?

Based on forecasted average costs over the period 2013-15, it is estimated that the fee for a vet check would likely be set at around \$5-7 (including GST). This amount is intended to recover the cost of Police providing the vetting service and the costs of administering the cost recovery system.¹⁸ **Table 5** shows how this fee has been calculated.

Table 5: Calculation of fees for cost recovery of the Police vetting service

Calculation	How has this been calculated?	Amount
Average forecast total number of vetting requests per annum	Based on current vetting volumes and forecast demand	435,000
Average forecast total vetting requests per annum that would be subject to a fee	Average total vetting requests per annum, minus potential exemptions	350,000
Average forecast total costs per annum to Police from providing the vetting service	Combining total direct and indirect costs ¹⁹	\$2,200,000
Estimated fee per vetting request	Average total costs divided by average total vet checks	\$5 -7 (including GST)

¹⁸ Administration costs for the cost recovery system have been estimated at \$50,000 per annum.

¹⁹ Direct costs equate to \$1,314,539, including staff costs of \$806,629 and operating costs of \$507,910. Indirect costs equate to \$885,038 comprising indirect staff costs, depreciation and an 8% cap charge.

Under the proposed fee methodology, the fee per vetting check would be set to recover the full cost to Police per annum (minus the cost of any exemptions), and the Crown would pay for any exemptions.

A request that required a very rapid response would have a higher fee than a normal, non-urgent request.

It is envisaged that a fee of \$10-14 (including GST) would apply to urgent requests for vetting checks. This would reflect the resources applied to each request and the priority it is given over others. This would be similar to the way the Department of Internal Affairs charges for its passport services.

It is proposed that a cost recovery system for the Police vetting service would be regulated in the following way:

- Fees for the vetting service would be reviewed and set on a periodic basis (every 2 or 3 years). This is because the costs of providing the vetting service will vary over time due to changing staff costs, new processes, or technology changes;
- Police would enter into agreements with agencies requesting the vetting service to establish the mechanism for collecting the vetting fee (this may include a fee to cover a full financial year). This would make it more efficient for both Police to provide vetting services, and agencies to receive the electronic vetting. The objective is to minimise administrative complexity as much as possible.

1.5 Case studies on the Police vetting service

A range of organisations and agencies use the Police vetting service. The proposal to introduce cost recovery for the vetting service would have differing impacts on agencies. To give some insight into how agencies may be affected, this section provides two case studies of two large users of the service:

- the Department of Internal Affairs (DIA) for citizenship applications; and
- the New Zealand Teachers Council for teacher registrations.

1.5.1 Case study one: Vetting services for the Department of Internal Affairs

Currently, around 9% of the Police vetting services are provided to DIA. This is primarily for citizenship applications.

The Citizenship Act 1977 states that New Zealand citizenship may be granted to any person who satisfies certain criteria, including “that the applicant is of good character”. To determine whether the applicant is of good character, the DIA requests Police vetting checks. Although a Police vetting check it is not mandated in the Act, Section 9A provides that the Minister must not grant citizenship where a person has a conviction – therefore, the Police vetting check is critical for ensuring that the DIA complies with the Act.

Table 6 shows a breakdown of the number of requests from DIA to the Police for the vetting service since 2004. There is a difference between the number of applications for citizenship received by DIA and the number of enquiries received by the Police vetting service. The reason for this is that DIA has a policy of ensuring that the Police check is no more than six months old. If an application is still in the system and the Police check is more than six months old then DIA will submit a further enquiry for a Police vetting check. During 2005-2008, DIA was working through a large backlog of applications, resulting in a large number of repeat enquiries to Police, which is no longer the case now.

Table 6: DIA requests for Police vetting checks as part of the citizenship application process, 2004-2010

	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
Adult applications for citizenship²⁰	25,546	22,928	21,003	16,642	11,133	9,968
Requests from DIA for Police vetting check	27,304	32,654	34,510	26,775	19,610	14,086

The process for the Police to provide the DIA with vetting services involves a number of steps. First, DIA sends a vetting request to Police through QueryMe. Second, electronic requests are categorised into either urgent or non-urgent requests by QueryMe. Third, vetting requests are processed by locating the applicant in the database, checking for relevant information, and updating information as necessary (e.g. the person's address). Finally, any additional notes are made, the vetting check is endorsed, and the printed information is stamped as required.

On average, for every request received, Police has to undertake 2.75 vetting checks. This is because each request could involve multiple names, and hence, multiple checks by Police.

Table 7 shows the forecast volumes of citizenship applications out to 2014 and the number of corresponding vetting checks the Police would have to undertake. As the table shows, the introduction of cost recovery for the Police providing a vetting service for DIA would equate to around \$18 per citizenship application.

Table 7: Forecast requests from DIA for Police vetting service as part of the citizenship application process, 2011-14

	2011/12	2012/13	2013/14
Forecast volumes of citizenship applications	23,210	23,206	23,422
Forecast number of inquiries from DIA for Police vetting checks²¹	17,208	17,208	17,368
Predicted number of checks for citizenship applications (number of applications multiplied by factor of 2.75)	47,322	47,322	47,762
Cost for undertaking checks for citizenship applications (based on \$6.30 per vetting check)	\$298,129	\$298,129	\$300,901
Estimated amount to be charged per citizenship application	\$17.33	\$17.33	\$17.33

²⁰ DIA does not do checks for children and the vetting service does not provide information about youths. This number of adult applications excludes Samoan applicants as they are considered under different legislation that does not have a character check requirement.

²¹ Note that the forecast number of enquiries is the total number of forecast citizenship applications received minus children under the age of 16 years, applicants under the Citizenship (Western Samoa) Act 1982, and applications for those that fall under Section 10 of the Citizenship Act 1977.

1.5.2 Case study two: Vetting services for the New Zealand Teachers Council

The Police vetting service is extremely important for the New Zealand Teachers Council (the Council), which accounts for nearly 13% of the demand for Police vetting services.

The Council is an autonomous Crown Entity established under the Education Act 1989. Its purpose as stated in the Act is: "...to provide professional leadership in teaching, enhance the professional status of teachers in schools and early childhood education, and contribute to a safe and high quality teaching and learning environment for children and other learners". One of the Council's key functions is to carry out processes for the efficient registration of teachers.

To be lawfully employed in schools, kura, kindergartens and in many positions in early childhood education settings, teachers are required to be registered and to hold a current practising certificate. The cost of registration is \$220.80 and the certificate must be renewed every three years. Teacher registration is one of the main ways that employers, colleagues, learners and the wider community can be assured that a teacher is qualified, safe and competent.

The fundamental requirements that drive registration are that all registered teachers must be satisfactorily trained to be a teacher, and regularly demonstrate that they are:

- of good character and fit to be a teacher;
- a satisfactory teacher or likely to be a satisfactory teacher;
- as registered teachers, also proficient in English or Te Reo Maori; and
- committed to the Code of Ethics for Registered Teachers.

Good character is judged on the basis of having a satisfactory vetting check. A vet is therefore a key element of the registration process. The Education Act 1989 states that this must be a Police vetting check.²²

In 2010/11, the Council approved 11,359 new applications and re-applications for registration; and approved the renewal of 17,340 practising certificates for fully registered teachers, all of which required Police vetting checks. However, demand for the vetting service peaks every three years when registrations come up for renewal, and on average the Council requests around 33,000 Police vet checks per year.

Since February 2010, the Council has used the QueryMe system to send requests for, and to receive, electronic vetting checks. The process involves a number of steps. First, the Council receives applications for registration, and sends an electronic request for a vetting check to the Police. Police then returns the electronic vetting check to the Council, which is electronically fed into the database and recorded as an event history. If the check is satisfactory and all other requirements for registration have been met the Council approves the application. If the check is not satisfactory and requires further clarification, the Council has internal processes in place for dealing with this which will involve communicating with the applicant.

The Council was one of the pilot agencies for the QueryMe system and as part of this undertook to improve its own processes, including modifying registration forms so that specific fields could be sent to the Police to receive electronic checks. The Council considers that the current arrangement they have with the Police for use of the vetting service has greatly improved since 2010 and is now very efficient.

²² The requirement for police vetting in the education sector is provided for under the Education Act 1989 as amended by the Education Standards Act 2001.

Question 7: Do you consider the Police vetting service to be suitable for cost recovery?

Question 8: What are your views on the proposed charges for Police vetting services? In particular, how do you think this will affect you and your business or organisation?

Section Four – Discussion

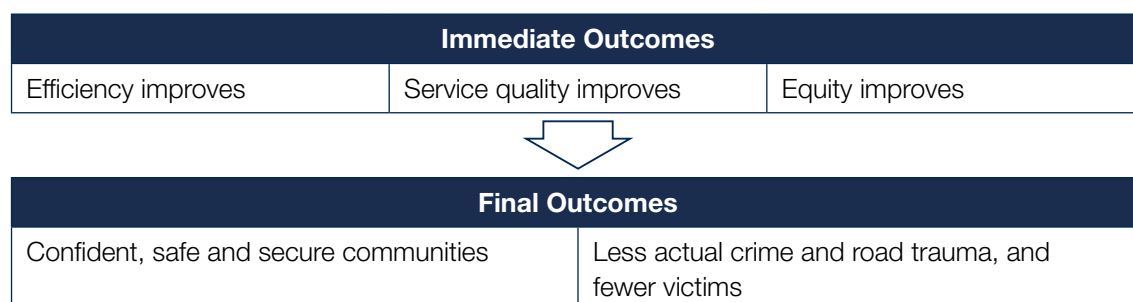
If implemented, cost recovery would have impacts both on the service identified in this paper (the vetting service) and on Police services more broadly. This section concludes this consultation document by discussing some of these impacts. The key points are:

- There are three key ways in which Police considers that cost recovery for certain Police services would impact positively on the way that Police provides services to New Zealanders; and
- Past consultation on policing law reform noted some potential concerns about cost recovery, which are addressed in this section.

Your feedback is sought both on the potential benefits of cost recovery, as well as any issues or concerns you may have. Any feedback you provide will assist the Police to build a more complete picture of cost recovery and to assess whether it is a viable option.

1. The benefits of cost recovery for certain Police services

The New Zealand Police is committed to providing New Zealanders with quality services that help make New Zealand communities safer places to live and work in. The following diagram illustrates the outcomes that Police is seeking to achieve.



Police considers that cost recovery for certain services would contribute to Police achieving the above outcomes. It would do so in three ways, which are discussed in more detail below:

- Reduce the level of demand for certain services;
- Self-fund ongoing demand for certain services; and
- Improve the overall quality of services that Police provides.

1.1 Reducing the level of demand for certain services

As has been discussed in this document, Police currently provides a number of services to the public. Police services range from general public policing (such as conducting Police prosecutions) to those that Police considers to be additional to general public policing (such as Police vetting).

For some services provided by the Police, the wider public does not benefit directly. Further, as is the case with public services, many are over-consumed. This is referred to as the “free-riders” problem where some individuals consume more than their fair share of a public resource or shoulder less than their fair share of the costs of its production.

Introducing a charge for services, where appropriate, helps to address this problem. This is because individuals who wish to use the service now have to pay for it – there is an incentive for individuals to reassess their use of the service (and reduce demand where possible) or to seek alternative services (which are provided at a lower or competitive price).

For the vetting service, a potential demand reduction for the Police vetting service would occur where users reassess the quantity of vetting checks they demand.

A reduction in demand for certain services, including the Police vetting service, would mean that Police resources are freed up to be spent on frontline Police functions, such as preventing crime. This helps Police to deliver on the priority to reduce crime and enhance community safety.

It is important to bear in mind that demand reduction is not incompatible with cost recovery. Service or demand reduction may occur as a result of cost recovery being implemented (or even considered), but it is not a reason for cost recovery not to be introduced. The principle of cost recovery and the justification for why it should apply to the identified services still stands.

1.2 Self-funding ongoing demand for certain services

In general, it is expected that the demand for certain Police services is likely to stay the same or increase over time, even if a charge is introduced for the use of the service. This would likely be the case for the vetting service.

Full cost recovery means that the user funds their demand, and ongoing provision of the services does not place additional strain on the public purse. It means that the Police can be more proactive in the way taxpayers' monies are spent, and less reactive to the demands for additional services.

In particular, if the vetting service is opened up to include a greater number of approved agencies, demand could increase. Cost recovery would assist Police by ensuring that additional resources required to perform extra vetting services would be paid for out of fees charged for the service.

Essentially, cost recovery provides a new way of contributing to Police's funding base while ensuring that Police can continue to deliver the services that benefit all New Zealanders. It means that the Police can confidently plan for service provision and be certain that they have the capacity, capability and resilience to deliver effective policing.

1.3 Improving the quality of the services that Police provide

Cost recovery in and of itself will not improve service quality but it will contribute to the level of service the Police provides to New Zealanders in two respects:

- First, a cost recovery model may assist Police to focus more on providing front-line services and spend more time in communities. If Police spreads its resources too thinly, then there is the potential for longer response times and reduced response capacity for the services that count. Every dollar spent on additional services is a dollar that cannot be spent on frontline services. This is unsustainable and to the detriment of responsive and quality policing.
- Second, a sound cost recovery model may assist to ensure appropriate scrutiny of the services that are subject to cost recovery. This is because users of particular services are paying for the services and are therefore likely to have heightened expectations about the delivery of the services (including timing of the services, efficiency, and the content of the service).

2. The potential issues from introducing cost recovery for certain Police services

Although arrangements for cost recovery are fairly standard in New Zealand and in many other countries, Police acknowledges that introducing similar arrangements for certain policing services in New Zealand would represent a change.

As noted in section one, during public consultation on the review of the Police Act in 2006-07, the public was asked for their views on the possibility of cost recovery. The majority of those that submitted a view were in support of cost recovery. However, feedback highlighted three areas of potential concern: equity; community outcomes; and the practical application of cost recovery. These three points are discussed in more detail below.

2.1 Concerns about equity

Cost recovery for certain services would essentially mean that those who use the service in question must first pay for it. The potential for a user-pays model for Policing services has raised two responses, both of which relate to equity.

The first is the view that Police services should be available to all New Zealanders and that cost recovery translates into “policing for sale”, with those wealthy enough being able to afford services, and others unable to access them owing to cost. The second is the view that Police services should not be “bought” and that if Police resources are directed at those that are paying for the service, then there are less Police resources to respond to other wider community needs. In other words, it is not desirable that financial factors become more important in Police decision-making than other policing considerations.

While these are valid points, it is important to point out that currently the taxpayer is directly funding some services that individuals benefit from. Users of certain additional services do not directly pay for the use of these services despite receiving a benefit and in many cases making a profit from the use of the service. This creates inequity in the current system, as is highlighted by the following quote:

“Some may argue that, if policing as a public service should be available to all because it is funded by the taxpayer, charging particular taxpayers extra for public policing services is both unfair and unethical. However, take a situation where a private interest is responsible for generating an activity that is capable of spawning the necessary conditions for criminal activity (for instance, by drawing together large numbers of people in a limited area) and will profit from this activity. Is it unreasonable to expect from that private interest a larger contribution to the public policing effort involved in ensuring public safety than from the general taxpayer?” (Ayling & Shearing, 2008, p. 36).²³

Cost recovery would shift the burden of the cost from general taxpayer funds to the person who demands and receives a private benefit from the service. This would be at a minimal charge. In terms of cost recovery for the Police vetting service, it is estimated that the charge for this service would be about \$5-7 per vetting check. The money the Police receives for the vetting service will only cover the cost of Police providing this service.

Furthermore, it is worthwhile to keep in mind three points:

- Internationally, Police have evolved ways to recover costs of performing policing functions in particular circumstances, some of which are supported by legislation. This has not resulted in an inequitable Police service in these countries;

23 Ayling, J. & Shearing, C. 2008, “Taking Care of Business: Police as commercial security vendors,” *Criminology & Criminal Justice*, vol 8, no 1, pp 27-50.

- Cost recovery is not a new concept for New Zealand or for Police. It is not breaking new ground. Other public sector agencies that provide essential services to New Zealanders have mechanisms in place for cost recovery. The critical question, therefore, is the extent to which it is reasonable for a publicly funded Policing service to subsidise the safety and security interests of profit-generating companies or organisations;
- In all cases, Police would continue to be accountable to the Commissioner of Police and Police would have the final say on the levels of policing provided.

2.2. Concerns about community outcomes

Further to concerns of equity as outlined above, a concern has been expressed that a cost recovery system for certain services may have an undesirable impact on communities.

For example, Police vetting benefits and improves public safety and social outcomes. However, evidence from the case studies on provision of Police vetting indicates that charges for cost recovery are likely to be minimal relative to the overall value of the service. In situations where Police considers that the fee would be likely to impede access to Police services (for example, in the case of registered charities) Police may consider that exemptions or reductions are appropriate in certain cases, although this would need to be considered on a case-by-case basis.

To ensure that Police continues to provide equitable Police services, any decision to introduce cost recovery would involve transitional arrangements to ensure that those affected would have the opportunity to plan for it. This would be complemented by an extensive communications campaign so that those affected have all the information they need to make good decisions.

2.3. Issues around practical application of cost recovery

In principle, cost recovery may make sense but there are concerns about its practical application. Examples of potential concerns include:

- how would the Police ensure that there is consistent application of cost recovery across New Zealand?
- what mechanisms would there be for ongoing public input into decisions about cost recovery?
- how would money from cost recovery be spent and who would receive the income from cost recovery in the first instance?

At this stage, the purpose of consultation is to seek views on the idea of cost recovery and particularly for one service. If Police is legislatively empowered to set fees or otherwise charge for services, there would be further consultation about how cost recovery would be introduced for certain services. Any future services identified for cost recovery would need to be consulted on publicly prior to the introduction of cost recovery arrangements.

Police is clear that any cost recovery arrangements would need to be managed effectively, and be consistent with good practice. Further work will need to be undertaken to produce a set of standard operating instructions. It would be important to ensure that the situations where cost recovery would apply are clearly defined, and that consistent guidance is provided on its application.

3. Next Steps

The next step is to analyse all of the submissions and feedback that are received as part of public consultation on cost recovery as outlined in this consultation document. This analysis will be provided to Government, along with advice on options and approaches.

Question 9: What other impacts might this proposal for cost recovery have on you? These impacts could be social, economic, compliance related, cultural or health related. Are you able to quantify these impacts?

Question 10: Are there any other comments or issues that you would like to raise on the cost recovery proposals outlined in this consultation document?

Appendix 1: Submission Form for Consultation on “Cost Recovery for Certain Police Services”

Submissions close at 5pm on **5 March 2013**. Please return this form to:

Submissions on Cost Recovery for Certain Police Services
Policy Group
Police National Headquarters
PO Box 3017
WELLINGTON, 6140

Email: cost.recovery@police.govt.nz

An electronic version of this document and form are available. These can be requested from and submitted to the above email address.

This submission was completed by:

Name

Address.....

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Email

Organisation

.....

.....

Position

Are you submitting this as:

- ☐ an individual
- ☐ on behalf of a group or organisation
- ☐ other (please specify)

Section 1: Background

1. Do you believe that Police should be able to recover all or some of the costs of providing certain services?

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Section 2: Framework for cost recovery

2. Do you agree with the stated principles for cost recovery? Are there any principles which you think are missing?

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3. Do you support allowing Police to recover the full economic cost of providing certain services, and not just the direct cost? If not, why not?

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4. Do you believe Police should be able to charge for services that generate a largely private benefit?

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5. Do you think that the criteria used to identify services suitable for cost recovery are appropriate? Can you think of a better way of assessing services for cost recovery?

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6. Do you agree with the proposed process for determining the level of cost recovery to be applied (i.e. a public/private benefit analysis of the identified service)?

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Section 3: Application of cost recovery

7. Do you consider the Police vetting service to be suitable for cost recovery? What are the reasons for your answer?

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8. What are your views on the proposed charges for Police vetting services? In particular, how do you think this will affect you and your business or organisation?

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Section 4: Discussion

9. What other impacts might the Police cost recovery proposal have on you? These impacts could be social, economic, compliance related, cultural or health related. Are you able to quantify these impacts?

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10. Are there any other comments or issues that you would like to raise on the cost recovery proposals outlined in this paper?

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