

***COMMISSIONER OF POLICE: REVIEW SUBMISSION
EXECUTIVE SUMMARY***

1. This submission is made in response to the Preliminary Draft Report on the Review of Police Administration and Management Structures. In formulating this response, the Commissioner has taken into account the views of staff and his overall responsibilities as Commissioner for the effective and efficient delivery of policing services and overall management of Police.
2. The Commissioner supports the objectives of the Review to streamline management and support services in order to free up resources to improve frontline service delivery and recognises the opportunities presented in the report to achieve this. In particular he accepts the potential for more decentralised and accountable management, the centralisation of support services, a stronger but smaller strategic capability at the centre and the principle of outsourcing some functions (subject to specific exceptions).
3. The Commissioner is concerned, however, at the extent of the proposed changes to existing structures, at both the administrative and management levels, the outsourcing of some of the services proposed and the early timeframes for achieving the recommended savings. He believes that further work is required to either confirm or modify the extent of the recommendations in the report, the savings quantified and the proposed timeframes for their achievement.
4. The Commissioner is also conscious of the tension created between the need for swift implementation of reforms (staff have supported this to reduce uncertainty) and the obligations he has to ensure that the impact of change has minimum effect on standards of service to the public, that staff are treated fairly and that the ethical standards and integrity of the Police are maintained.
5. The Commissioner is seeking confirmation from Government that the savings proposed from the Review are part of the requirement to restructure and produce savings following the completion of INCIS and not in addition to that requirement.
6. The Commissioner notes with appreciation that, subject to this requirement, Government has agreed to reinvest savings from the Review back to policing.

Structure

7. The Commissioner supports the concept of a streamlined and strategic Commissioner's Office. Specialist advisers in key performance areas (such as policing policy and development, crime, road safety and crime prevention) in the Commissioner's Office will be accountable for the quality of advice provided by Police to the Minister and Districts. It is District, Area and Station managers who will be accountable for results achieved through service delivery. He believes, however, that proposed cuts to staff are too severe to ensure effective support to Districts, especially in crime, road safety and strategic capability. Further work and consultation is required to establish optimum capability and staff levels in the Commissioner's Office.

8. The Commissioner supports the concept of Service Centres. Whether these services are centralised or decentralised will depend on the nature of the service. Some services may be best decentralised because they need to be close to the external customer; others may be best centralised and consolidated because it is more cost effective to run them out of a centre designed to support multiple points of delivery.
9. The Commissioner supports the principle of disestablishing Regions and reducing the number of Districts but believes there are issues relating to Northland and the greater Auckland area that need to be further considered and worked through as part of the implementation process. Although the Commissioner has noted submissions from the Districts proposed by the Review to be merged, that local identity and the quality of support services are at risk, he observes that operational leadership will still be provided locally in merged districts. It is administrative support that will be centralised. This step is in effect extending the approach already implemented in many other Districts and will free up resources for frontline policing.
10. The Commissioner is also conscious of the need to ensure that support provided by service centres is no less than that provided to Districts today and that restructuring does not result in further administrative burdens on frontline staff.
11. The Commissioner supports the concept that Areas are to be the key service delivery units and will be built around communities of interest. In order that Areas do not become unmanageable in terms of staff numbers and/or geographical size, he believes that the number of Areas is likely to exceed the suggested 48. Overall savings at Inspector rank will also require further analysis so as to take account of specialist expertise, such as investigative skills.
12. The Commissioner supports the principle of a five-level management structure as a means of achieving closer oversight by the Commissioner of service delivery. He recognises, however, that there is likely to be a need for some limited exceptions to this principle, based on ensuring manageable spans of control and adequate supervision of staff. A continuing role for the senior sergeant rank is recognised but the nature and extent within the overall structure may change.
13. The Commissioner supports the need for further consideration of overall resources proposed for Districts and service centres to ensure that cuts to the numbers of administrative support staff in districts do not affect the frontline, and hence overall delivery of policing services.
14. In respect of restructuring, the Commissioner believes that additional flexibility within Police is required in terms of the mix of sworn and nonsworn staff and that potential staff savings should be expressed as a total number of staff rather than attempting a hard and fast sworn and non sworn number. Also that potential savings should be expressed as a range to be targeted rather than a specific number.
15. The Commissioner agrees with the proposal for a National Operations Committee consisting of District Managers and other senior managers. In addition to the role proposed in the draft report, he considers that this group should be a key contributor to national strategy as well as the leadership group to drive strategy through Police. However, he is also in favour of a second management group; one that not only has a strategic focus but also an audit and performance role and with external expertise to assist

Police in specialist areas. Further design work is required before the final shape of the Police Executive is established.

Outsourcing

16. In principle, the Commissioner supports the outsourcing of support functions currently delivered in-house where such functions meet the recommended criteria, provide a quality service for lower cost, and where appropriate risk management strategies can be put in place.
17. The Commissioner believes, however, that aspects of forensic photography and Search and Rescue are core police functions and should not be outsourced. He also recommends further consideration be given to aspects of the Commercial Vehicle Investigation function which should be retained.
18. The Commissioner considers the time frames identified in the draft report for outsourcing to be too tight in respect of some outsourcing proposals and suggests further consideration of which services fall within the following amended time frames:
 - Phase 1 - up to 30 June 1999
 - Phase 2 - up to 30 June 2000
 - Phase 3 - up to 30 June 2001
19. The Commissioner agrees that an attempt should be made to develop principles that would serve to better define the core responsibilities of the Minister and Commissioner, including changes to the Police Act. Police has noted the proposal for an Advisory Board to the Minister, but believes there are issues to be worked through before such a Board could be implemented.

Ministerial direction

20. The Commissioner notes that this proposal is not intended to impinge on the operational independence of Police but to provide a process for resolution in situations where a Minister and Commissioner cannot agree whether a set of facts fall within or outside the Commissioner's independent jurisdiction.
21. On this basis, the Commissioner has no objection in principle to the creation of a formal power of ministerial direction, provided the areas which are not subject to direction and those that may be included in a written direction are clearly specified, and there is a prescribed process to be followed.

Police Housing

22. The Commissioner supports the need for police housing in areas where there is no suitable accommodation for staff transferring to either rent or buy and highlights a concern that the targeted houses for sale will not leave sufficient for this purpose. There is justification for a comprehensive review on the number, need and reason for retention of police houses and their role in addressing recruitment and retention problems.
23. In summary, therefore, the Commissioner is committed to achieving the objectives of the Review but is conscious that further work and analysis is required before the exact parameters of review recommendations (staff and savings) can be established and

implementation can begin. In the interim projected savings and staff downsizing ought to be expressed as a range of savings rather than a specific target.

24. Overall the Commissioner believes that significant savings can be made from the proposals in the draft report and wants to accept responsibility for the further work required, consultation with staff and implementation of approved proposals. He believes that if these stages are properly managed, Police will emerge stronger and more capable in its core role of reducing crime, the road toll and disorder and improving public safety.

RECOMMENDATIONS

- That an appropriate definition of ‘frontline capability’ that is more accurate than simply counting sworn staff be developed, and that mechanisms be set in place to monitor and evaluate that capability.
- That there be flexibility for Police to alter the mix of sworn and nonsworn staff in Police to improve operational capability even though this may mean a reduction in overall sworn numbers.
- That further work be carried out to define the extent of staff and dollar savings.
- That Police Regions be disestablished and that the proposed district mergers, with the exception of Northland, proceed. However, the number of Districts should be left flexible between ten and twelve until questions surrounding the wider Auckland area are resolved.
- That there be flexibility in applying the district management template so as to ensure that Districts retain the necessary specialist capabilities but that a dedicated traffic safety report be mandatory in each new district.
- That the total number of Areas be left flexible until further analysis of District and community needs has been carried out.
- That three operational Superintendents be based in Auckland, Wellington and Christchurch who would each have an inter-district role in coordination of operational matters, contribute to the management of integrity and operational risks, and increase Police capability in relation to operational command for major events.
- That there is a need for some additional resource within the Commissioner’s Office, principally to address crime, road safety and strategic development coordination, advice and specific service delivery.
- That a five-level management structure be introduced subject to specific approved exceptions.
- That the senior sergeant rank be retained although some changes to job structure and role may occur.
- That the Review recognises a Police core role in forensic photography and Search and Rescue, which is not open to outsourcing, and that further work needs to be done in

respect of CVIU to establish which functions may be core to road safety and should be retained.

- That there should be greater clarity and definition of the respective roles and responsibilities of the Commissioner and Minister including the potential for Ministerial direction provided such direction does not impinge on the Commissioner's constitutional role. The Police, State Services Commission, Department of Prime Minister and Cabinet, and Crown Law should work through both the detail and means by which such clarification ought to proceed.
- That the Police Executive comprise two groups, both of which will contribute to strategy development; one with a performance, audit and advisory focus and the second with an operational and strategy implementation focus. The Commissioner will chair both.
- That Police property be restructured under a national property manager and a national property management system be established.
- That a review be carried out of the number and location of police houses required to ensure reasonable policing needs are met while not retaining properties where a clear case for retention cannot be made.
- That the Police purchasing strategy be streamlined through the implementation of a tendering process for the top 100 purchase items.
- That priority is given to establishing the proposed rate of overall change and to ensuring the management structural proposals are fully implemented prior to June 1999 to enable a full three months of clear attention leading up to APEC in September 1999.
- That the Review specifies a *range* of staff and dollars savings rather than a precise figure in order to ensure that proposed cuts to administrative and other structures do not affect overall delivery of policing services.

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INTRODUCTION AND OVERVIEW

1. This submission is made in response to the Preliminary Draft Report on the Review of Police Administration and Management Structures prepared by the Reviewer Doug Martin. The Review was signalled in the Coalition Agreement in October 1996 and directed by Ministers in April 1998. Its focus is efficiency across police management and administration and is aimed at freeing more resources for frontline policing. Police supports the objectives of the Review and welcomes this opportunity for a wider perspective and expertise in developing structures and systems which can best support our operational capability.
2. In formulating this response, I am conscious that I have two roles to fulfil. The first is to listen to the views of staff and reflect them, where appropriate, in my own views; the second is my role as Commissioner whereby I have a wider responsibility across the whole of Police and for ensuring we deliver effective and efficient services to the community. These interests must be balanced.
3. The announcement on 6 April 1998 of the Review resulted in substantial effort by the organisation to ensure staff were made fully aware of what was happening. The release of the Preliminary Draft Report on 9 June 1998 saw this effort continue. As well as the weekly newsletter "The Review", and staff meetings conducted by the Deputy Commissioner, I travelled extensively in order to consult with staff.
4. I attended a total of 33 meetings, which were open to both sworn and nonsworn staff. Their purpose was to inform staff and give them an opportunity to ask questions and express their views. The meetings were well attended with more than 1500 staff participating and were characterised by frank but professional exchanges of ideas.
5. Police received a total of 408 internal submissions. Some of the submissions were from individuals, others were joint submissions from teams or groups. Some submissions related to single topics but most touched on a number of issues or commented on the Review in general. Many individuals built on their submissions over time, first asking questions, then making interim comments, then putting in a final submission. The nature of the submissions varied from single page items expressing disagreement to comprehensive reports containing detailed arguments and recommendations. A summary of internal submissions is provided in Appendix I.
6. I am indebted to all those who took the time to attend meetings, make submissions, and otherwise express their views. I have read each internal submission and have a general understanding of the contents of external submissions. While not all suggestions could be reflected here, a great number, either in part or in full, made a valuable contribution to this submission. Ultimately, however, what is presented here represents the views of myself as Commissioner and those of the Police Executive.
7. Police recognises that structure should follow on from strategy. To this end, we have put a great deal of thought and effort over the last few years into how to achieve greater efficiency and effectiveness in our core functions of enforcement, investigation, crime prevention, road safety and other public safety functions. This has resulted in the development of our overall strategy of Community Orientated Policing which combines law enforcement and investigation with a greater emphasis on crime prevention,

working in partnership with communities and ‘problem-solving’ by analysing and attacking root causes of crime.

8. Police operational strategies are well summarised in the draft report. Since 1992, Police and Government have worked to develop a set of policing strategies which are considered the best mix to reduce crime, the road toll and disorder. Recent trends have been encouraging with both recorded crime and the road toll decreasing, our ability to resolve crime increasing and our core capability across enforcement and crime prevention increasing.
9. Of importance in the context of the Review, however, is that it is not about reviewing either Government’s public safety objectives or policing operational strategies. Its terms of reference are to:
 - “optimise the New Zealand Police’s contribution to Government’s public safety objectives **by** ensuring that the most cost effective administrative and management levels and structures are in place.”
10. In this respect the draft report is in error when it quotes the terms of reference at paragraph 1 using the word *and* instead of *by*. This could be interpreted as meaning that policing strategies to achieve Government’s public safety objectives are open to review where the correct word *by* clearly indicates they are not. It is clear from reading the draft report that a review of Police operational strategies is not contemplated.
11. The Review addresses and provides advice on how Police can streamline its management and support structures and focus more on results through decentralised management, with stronger strategic capability and accountability at the centre. It also recommends better ways to deliver support services including centralisation of non operational functions and outsourcing others if they can be delivered as well or better but at a lower cost outside Police. The need for more expertise in managing and developing our major assets (e.g. property and technology) is also recognised as is the need to provide greater clarity in the respective roles of the Commissioner and the Minister.
12. The draft report acknowledges the assistance and information provided by Police in the review process. In turn, I would acknowledge the degree of support, information and advice given by managers and staff across the country in relation to Police moves for structural change. This support took the form of identifying local examples of best practice and developing and trialing locally-responsive initiatives that provided strategic models to inform our thinking on structural issues.
13. The timeframe for this Review was aggressive. From the beginning, Police expressed concerns about this and I remain concerned that the recommendations in the draft report are open to criticism on this basis. This does not mean that the recommendations lack validity but some may lack credibility as a result. Certainly there is a lack of detail on some subjects, especially outsourcing proposals, which means that further work is needed to support or modify as appropriate both the quantum of savings (and costs) and the timeframes for their achievement.
14. While I recognise that the draft report is a high level one and potential savings are indicative only and subject to further work and refinement, there is a likelihood that any

early savings may be significantly affected, if not entirely mitigated, by costs incurred through relocation and potential redundancies, and other transitional management costs. It is clear, however, that significant longer term savings are achievable.

15. There is valuable information and insight in the draft report. In particular its structural recommendations and its strategic advice on the need to drive down responsibility and decision making, and the need to focus more on the things Police can do well. In addition, the options identified in the draft report to achieve this and to make savings to support operational policing, while not detailed, are useful as targets and guides for further work.
16. In principle, then, Police supports the thrust of the Review's recommendations, but I believe there are areas that still need reflection, further investigation and modification prior to implementation. These are outlined below.
17. With respect to the restructuring of the organisation, there are a number of issues that underpin Police's view. In particular, Police is conscious of the tension created between the need for fast implementation of reforms (to achieve the objectives of the Review and ease uncertainties) and the obligations of the Commissioner to ensure that the impact of change on staff and across all areas of policing is carefully considered and managed.
18. Other key considerations are that any changes proposed must have minimum impact on standards of service to the public, must maintain the ethical standards and integrity of the Police, and must consider Police's capacity to meet government and community crime and safety expectations. It is inevitable that restructuring on the scale contemplated will tend to distract, to some degree, Police attention from operations. Following this, however, Police should emerge stronger in both frontline capability and management to achieve better results in the future. I am committed to ensuring that strategies to manage these risks effectively are put in place during implementation.
19. It is also critical that the quest for reform does not diminish or extinguish areas of excellence or best practice that already exist within Police, simply for the sake of change. We must build on the best we have and incorporate the best that new practices and procedures have to offer.
20. Finally, while much of the draft report contributes towards meeting the terms of reference, it is of concern that the roles of INCIS and Policing 2000 are not referenced. INCIS is one of Police's key projects and has the potential to significantly improve frontline policing by providing operational staff with better information and support, and Police management with an analysis capability that will enable more effective deployment of resources and achievement of better results.
21. In respect of Policing 2000 (referenced only in paragraph 19 of the draft report), a considerable amount of research has been undertaken within this group over the last three years, much of which offers significant opportunities for long term organisational efficiencies. The programme has also developed crucial change capabilities and would be a valuable resource in implementing decisions arising from this Review. Whilst the Review Team drew heavily on the work undertaken by Policing 2000 on outsourcing and structures, it is disappointing that limited analysis of this area and capability was undertaken.

DEFINITION OF FRONTLINE AND THE ROLE OF NONSWORN STAFF

22. In recent times it has become increasingly popular for police resources to be described in terms of 'frontline' staff numbers. It is a traditional term in Police and there was a great deal of interest in this concept by staff consulted. As the focus of this Review is on streamlining the administrative and support structures of Police and enhancing frontline capability, the draft report itself frequently uses the expression. Successive Governments have also described their priorities for policing in terms of frontline police officers. People using, hearing or reading this term would no doubt have their own interpretation of what they believe it to mean. Thus, it is essential that the term be clearly defined.
23. Police has defined 'frontline' as including all staff, both sworn and nonsworn, whose roles require them to provide a service directly to the public for a significant rather than an occasional part of their duties. This definition is wider than the traditional view but is necessary to reflect the direct contribution many staff make to Police results even though they are not 'on the beat'.
24. An issue has arisen about supervisory and management positions. At what point are they considered 'frontline'? My view is that field supervisors are frontline staff. Area Managers and District Managers clearly are not, although occasionally they will be deployed operationally or otherwise be 'in the field'. Likewise, commissioned officers and senior sergeants in administrative positions would not be frontline. The dividing line (between frontline and support staff) is not yet clear and further work in this area is required especially at Inspector and Senior Sergeant level where there are elements of operations, administration, management and command in the positions held.

Flexibility in sworn/nonsworn staff mix

25. The above debate highlights an issue critical to the success of achieving more effective frontline service delivery and streamlined management and support. Debates about resources and Police capability tend to focus on sworn staff numbers. This measure is simple and attractive but misleading. Worse still, it prevents Police making some changes which would benefit service delivery and reduce costs.
26. The strategic direction of Police is to broaden our mix of services to include more 'non-coercive' programmes, most notably in crime prevention. Accordingly, Police capability must be defined in a way which best supports its crime and community safety objectives. A focus simply on sworn staff numbers does not achieve this because it ignores the reality that many sworn staff are not performing frontline duties and an increasing number of nonsworn staff are taking on roles which would previously have been regarded as the preserve of sworn officers. There is a need, therefore, for police resources to be considered in the context of 'frontline capability' and the results that capability is intended to achieve, rather than just numbers of sworn police officers.
27. Put simply, Police needs the flexibility to mix its resources across sworn and nonsworn staff, across 'frontline' and support staff, and indeed across staff and equipment or capital assets, without the restrictions of having to maintain or achieve a specified number of sworn staff. This flexibility would be positive for both nonsworn staff and sworn staff.

28. Nonsworn personnel have significant potential to free up sworn officers to be more effective at what they are trained to do i.e. law enforcement, investigation, crime prevention, road safety and problem solving. And currently, many sworn staff are in management and support functions which can be either streamlined or civilianised. Police must have an ability to reduce sworn numbers where appropriate from such positions in order to apply those resources to frontline policing capability. If we cannot do this then we will not be able to take full advantage of the opportunities presented by this Review.
29. I recommend, therefore, that an appropriate definition of 'frontline capability' that is more accurate than simply counting sworn staff be developed, and that mechanisms be set in place to monitor and evaluate that capability. I also recommend that Police be given the flexibility to reduce the number of sworn staff in the organisation, provided we can demonstrate that our operational capability is enhanced by the change. Debates about Police need to focus more on results achieved rather than numbers of staff.

THE ORGANISATIONAL STRUCTURE OF THE POLICE

30. The Report recommends an organisational structure and management framework designed to improve management accountability and efficiency. The main proposed changes are:
- a smaller strategic Commissioner's Office;
 - the establishment of Service Centres;
 - the disestablishment of Police Regions;
 - the rationalisation of Police Districts and Areas;
 - a reduction in the number of commissioned officers and NCOs;
 - a frontline supervisory ratio of 1 Sergeant to 5 Constables.
31. Police structures have undergone significant changes over the past decade, with further changes signalled for the future. The current recommendations need to be considered in this context. Police management has long been concerned at the apparent 'top heavy' nature of police management where, on average, there is one supervisor or manager for every 3.7 Constables and first line nonsworn staff. This is not always a true indicator, however, of the ratio of managers to staff, as many specialist positions (e.g. prosecutors, instructors, etc) attract a rank that would normally have supervisory responsibilities but in these instances do not. The INCIS business case and police restructuring over the last three years has recognised the need to both reduce the number of supervisory layers in Police and the potential to streamline some of those layers.
32. In recognising this, Police's major focus has been on getting our strategies right and in place along with new business systems designed for our major technology projects. Police has always taken the view that structure follows strategy and in this respect the work done by this Review is very timely.
33. The key principles upon which the new structural options are based include:
- Accountability and authority must be more closely matched and be clear.
 - Excessive management layers mitigate against such clarity and effective communication.

- Policing strategies require devolved authority and decision making.
 - Cognisance must be taken of the special issues of command and supervision in operational policing.
 - Having overall accountability for operational results, the Commissioner should have a more direct oversight of Police service delivery.
 - With few exceptions, the role of the Commissioner's Office (currently Police National Headquarters) should be one of strategy, advice, monitoring and accountability, not service delivery.
 - Districts should be the prime service delivery structure with clear accountability for results.
 - Administrative support should be direct to Districts from Service Centres or from outside providers under contract (outsourcing).
 - There is a need to change the current style of Police management from a hierarchical approach which looks upwards for authority to one in which managers accept responsibility to a greater degree and make their own decisions.
34. I accept these principles as being appropriate, and support the broad structural design contained in the draft report. I have reservations, however, about whether the extent of staff reductions and dollar savings identified can be achieved.
35. While the work done to date and the opportunities presented for centralising support functions suggest there are significant financial savings to be made without compromising service delivery, care must be exercised to ensure that support levels are maintained and proper risk management strategies are applied. A recurring theme in submissions is a fear that reductions in staff will also mean reductions in support at Districts and more administrative work for frontline staff. This is not the intention but it will be a challenge to ensure that this does not occur.
36. My recommendation is that the Review recognises the potential to make savings within a range of staff numbers and dollars, and for the next phase of work including job design and implementation to identify more specifically the extent of savings which are possible. The range could have at its top end the current estimates but allowance should also be made for the inevitable factors which will arise from linking detailed design to the high level principles outlined.

COMMISSIONER'S OFFICE

37. I support the concept of a streamlined and strategic Commissioner's Office in place of a Police National Headquarters. The proposed structure is similar to models that were being developed as the result of earlier reviews. This type of structure allows senior management to address four critical and inter-related areas of Police performance as part of the change process. These are:
- Police ability to contribute to sector partnerships, policy development, and the achievement of Government's strategic goals in meaningful and measurable ways;
 - Police ability to translate high level policy initiatives, and medium term performance targets (such as those articulated in our KRAs) into coherent, consistent and achievable objectives at service delivery level;

- Police ability to monitor and measure organisational performance in a way that manages areas of obvious risk but also ensures that the key business strategies of community orientated policing, responsiveness to Maori, partnerships, and quality customer service are not diminished or diverted;
 - Police ability to focus on ethics and integrity and to prevent corruption. These issues are of fundamental importance to any policing organisation as they go to the heart of the legitimacy of policing by consent. Such consent impacts on everyday operational matters such as the preparedness of victims to report crime, witnesses to come forward, and juries to believe the word of the Police.
38. The structure proposed has a number of features that are likely to facilitate improved Police performance in respect of the above, as well as provide support for the Minister of Police and Commissioner of Police.

Roles and staffing numbers

39. The Commissioner's Office must be examined carefully in terms of the proposed changes to its current functions and the number of staff required to fulfil its future functions. It will have a significant role to play in advising Districts on matters of national interest and scale from both an operational and management perspective. As a result of the dismantling of regions and the establishment of Service Centres, some of the current workload will be reduced, but the Commissioner's Office will have responsibility for the oversight and coordination of national operations and programmes, and a major role in ensuring policing services are aligned with Government's wider strategies.
40. The draft report appears to be in error in calculating that a Commissioner's Office of 145 positions represents potential savings of 115 positions. The correct number of positions saved would be 97 under this arrangement. However, I believe the proposed number of 145 positions for the Commissioner's Office is not sufficient to discharge its multiple responsibilities. Specific examples of deficiencies, without being exhaustive, are the lack of a designated road safety report to the Deputy Commissioner: Operations, and a much reduced crime support, intelligence and strategic development capability. I would recommend that the Review settle on a range of potential savings rather than a precise figure in relation to the number of positions needed in the Commissioner's Office.

Separation of functions

41. The separation of the resource management and operational support functions under two managers at Deputy Commissioner level provides an opportunity for a clear focus on each. The clustering of specialist operational advice functions will provide the basis for the transfer of management accountability for successful performance in these areas from 'the centre' to Districts and service delivery managers. In future, specialist advisers in key performance areas such as crime, road safety and crime prevention will be accountable for the quality of advice provided by Police to the Minister and Districts, while District, Area and Station managers will be accountable for results achieved through service delivery.

Reporting relationships

42. I support the concept of District Managers reporting directly to the Commissioner. This will aid both accountability and the focus of the organisation on operations and results. It will also give the Commissioner a greater opportunity to both exercise and develop leadership throughout the organisation. An alternative model has been considered which would see the Deputy Commissioner: Operations having direct oversight of Districts. This would free the Commissioner to give more attention to the key roles of strategy development, financial management, policy advice, strategic partnerships and interdepartmental responsibilities.
43. I am satisfied, however, that with appropriate resourcing the proposal for two Deputy Commissioners can ensure all these functions can be managed effectively. The day to day operational and resource issues will be delegated to the Deputy Commissioners with the Commissioner focusing on higher level leadership, performance and accountability issues.

The Executive Management Structure

44. At present, the Police Executive Committee has an extensive role, including responsibility for operational, strategic and performance issues. The draft report proposes that the Commissioner, together with the District Managers and other senior managers, would form an Operating Committee that would focus on the efficient and effective delivery of outputs to achieve Government's public safety objectives. It would also develop a strategy to manage major security events such as APEC, monitor the support services necessary to fulfil Districts' obligations, and provide a forum for the sharing of ideas. I agree with this proposal for a National Operations Committee and, in addition to the role identified in the draft report, I consider the group ought to have a role in developing and driving national strategy.
45. I do not believe, however, that the interests of achieving optimum accountability and performance would be served by having the same group that is accountable for service delivery, also engaged in monitoring organisational performance and managing non operational assets. I am in favour, therefore, of two managerial groups forming the Police Executive. Both would be chaired by the Commissioner. The second group would focus on, and be responsible for, strategy development, policy advice, resource management, audit and performance review. Consideration should also be given to external appointments to this body to provide external advice and input into key strategic and management issues.
46. Although further design work and consultation would be needed prior to implementation, Police intend to pursue a dual executive management structure with a view to early implementation.

SERVICE CENTRES

47. The concept of Service Centres is not new. Functional 'service centres' already exist within Police and I support the basic concept. It is consistent with the principle that the Commissioner's Office is focused on strategy and performance management and that operational service delivery takes place in Districts.

48. Whether these services are centralised or decentralised will depend on the nature of the service and the opportunities available. For example, some services may be best decentralised because they need to be close to the external customer. On the other hand, repetitive and transaction-based activities may be best centralised and consolidated because it is more cost effective to run them out of a centre designed to support multiple points of delivery. A key consideration will be to ensure that District and Area Managers have accurate, sufficient, and timely information upon which to make management and operational decisions. Compiling, storing, processing and reporting that information should be a service centre function and not performed at District or Area level.
49. The main benefits of combined and restructured functional support areas, i.e. service centres, is that they will enable Districts to focus predominantly on operational matters and that they provide existing staff with the opportunity to examine what they do and how they do it. Efficiencies identified and achieved may mean that outsourcing of certain functions will not need to occur, particularly where no outside agency can match the demonstrated performance of the Service Centre.
50. Over time, all service centres will be able to organise themselves to take advantage of economies of scale, technology opportunities, and the concentration of specialist skills, and eliminate unnecessary duplication and administration.

POLICE REGIONS

51. Prior to the commencement of the present Review, the Police Executive had agreed that the role of Police Regions be re-evaluated from July of this year after the last round of restructuring had been fully implemented and further technology support was available to Districts. In particular, the potential to remove the regional structure and reduce the number of Districts was to be explored.
52. Consultation with managers and staff both before and after the number of Regions was reduced to four (in 1997) has shown diminishing support for their retention. In short, Police see no difficulty in migrating from a Regional structure to stand alone Districts supported by Service Centres and the Commissioner's Office although there are clearly planning and implementation issues to be worked through.

POLICE DISTRICTS

Number of districts

53. The draft report recommends reducing the number of Districts from 16 to 11. The previous work of the Police Structures Group had signalled a potential reduction to 12 Districts, the difference being that Northland would remain a separate district. Particular concerns have been raised about Northland being merged with North Shore/Waitakere, and about the unique aspects of the greater Auckland area.
54. Similar submissions have been made with respect to the other proposed integrated districts, Tauranga/Rotorua, Taranaki/Manawatu, Gisborne/Hawkes Bay and Otago/Southland. I believe it is important to respond to these concerns. In essence, three risks are highlighted.

- First, that present Districts will lose their identity and depth of contact with local communities by being absorbed into a larger Districts. Allied to this is the concern that local issues will be subjugated to wider District issues especially where a large imbalance in size between areas exist.
 - Second, that without direct District status they will be in an inferior position to compete for and retain resources.
 - Third, that the quality of support services to operational staff will diminish due to the remoteness and competing interests of centralised support staff.
55. I have carefully considered these issues and looked to both our previous experience and the potential for these risks to be managed through more open resource allocations and tighter accountabilities on District Managers so as to ensure equity and fairness across areas. One point which is overlooked in the above arguments is that the proposed district integration is administrative only and all areas, whether they are Districts or not, will have a local manager whose core role will be leadership of Police in a defined community. That appointee will be the local point of contact for operational and resource issues in the same way the District Manager currently is.
56. What will change is simply the way that role is supported with information and resources. Instead of managing their own support mechanisms, these will be provided by way of a service level agreement from a Service Centre or Centres. Local operational capability will not diminish and indeed should be enhanced by the reinvestment of savings achieved through the restructuring process.
57. As all recent reform processes have shown, there will inevitably be parochial interests between cities and communities of interest. I believe these interests in themselves should not prevent the integration of Districts provided that the resource and support issues can be managed. Three years ago Police had six regions and 29 Districts, a total of 35 service entities exclusive of Police National Headquarters. Today we have four Regions and 16 Districts, a total of 20. The draft report recommends a further reduction to 11 Districts.
58. I believe something approaching this number is feasible but I have reservations about the recommendation for Northland and its proposed integration with North Shore/Waitakere. The size and interests of Auckland are so significantly different that I believe there is a risk that Northland's interests will not be well served within an integrated 'Northern' District. North Shore/Waitakere is a substantial part of a wider metropolitan Auckland which has a total population of over 1.1 million. The scale of Northland to this and its predominantly rural nature means that it would be a very difficult job for a District Manager to give Northland the required degree of attention and equity.
59. When one adds to this the demographic trends of Auckland which will see significant growth in the future, the differences will get more pronounced over time. I believe that on the basis of the uniqueness of Auckland, there is a sound case for Northland to continue to be a separate District. I do not believe that the same case can be made in respect of the other proposed merged Districts. In each case, while they are different in geography and to a degree in scale, the differences are nowhere near as great as those between Northland and Auckland. The structure of all other proposed merged districts should enable them to be effective. In other words, I believe that the risks of merged

Districts, other than in the case of Northland, can be managed. My recommendation is that the proposed district mergers, with the exception of Northland, should proceed.

60. This leads on to a discussion of the Auckland metropolitan area and the best way to police and manage it. Adopting the draft report recommendation, it would be retained in three Districts supported by service centres with District Managers reporting to the Commissioner. An alternative proposal has been put forward to leave Northland as a separate district but merge the three Auckland districts into a single 'super-District' with ten defined geographical and semi-autonomous areas. This raises several issues that need to be addressed:
- Auckland has a significantly different composition to the rest of New Zealand in terms of traffic, population density, and ethnic diversity.
 - It is argued that crime in Auckland knows no boundaries and splitting it into 3 Districts is counter productive to effective co-ordination of resources. (This argument is strongly contested by the current District Managers.)
 - A Metro-Auckland 'super district' would require a different management structure to the preferred option stated in the draft report.
 - One of the potential deficiencies in the proposed 'super district' is its wide span of control over 10 Areas and its need for several more specialist managers.
 - The former Auckland Services District (currently part of Northern Region Headquarters but essentially a large service centre) provides delivery of some core Police services and support services to the three Auckland Police Districts. This service will continue in some form but some of these resources may be integrated within the current Districts depending on final options selected and analysis of service delivery issues. There are, however, wider co-ordination issues currently managed by the Region Assistant Commissioner. It is argued that such coordination direct from the Commissioner's Office in Wellington (necessary once the region infrastructure is disestablished) would be ineffective due to geographic and communication difficulties and the fact that events on the ground move very quickly. I do not at present share this concern but agree that further analysis of the issues is required before a definitive structure is agreed upon.
 - There are several other possible options for Auckland that require consideration prior to implementation. These include different amalgamations of current districts to those mooted in the Review document.
61. Police therefore, accept the principle of reducing the number of districts but would like to work through questions relating to Auckland as part of the implementation process. Developing the most appropriate structure rather than adhering to a single model is obviously a desirable approach so I support further analysis of options best suited to the particular needs of Auckland. Until this matter is resolved, I recommend the final number of districts be left flexible between ten and twelve.

District Template

62. The proposed district structural template comprises an average of 11, but up to 14, Area and specialist manager reporting lines. Amongst these, a dedicated traffic safety report is presented as optional rather than mandated. Traffic safety staff have objected to this. They point to the coalition direction agreed to by Police to introduce dedicated traffic groups and the need to ensure focus and accountability by operational staff on road

safety. As dedicated traffic groups are presently under implementation I agree that a dedicated District traffic safety report should feature in each District.

Areas

63. Areas are to be the key service delivery units and will be built around communities of interest. Determining those communities of interest and therefore the Area boundaries will be a key task for the new District Managers. The analysis to date has not been exhaustive, but there is a recognition that it is critical for Police Area boundaries to match Territorial Local Authority boundaries.
64. Another issue of concern is the span of control and responsibility of some individual Areas. For example, Lower Hutt Area has potentially 180 staff under one manager where the recommended number is about 100. While there are good reasons for a degree of variation in Area size, it is likely that the total number of Areas will need to exceed the suggested 48. Further analysis and input from District staff is needed to resolve this issue.
65. Areas are the core policing units and they will be responsible for delivering key policing services, including Emergency Response, Community Policing, Investigations and Traffic Policing. They will therefore include General Duties Branch, Criminal Investigation Branch and Traffic Service Branch units.
66. They will include all services except those that require wider co-ordination, need specialist management or those that have been grouped together so as to provide economies of scale on a district-wide basis. Examples of specialist units managed centrally could be the sexual offences and child protection teams. Examples of district-wide units providing a service to Areas could be a surveillance squad or traffic camera enforcement team.
67. All police stations will belong to an Area. Areas should be constructed from the bottom up with stations grouped together with their appropriate neighbours until they have achieved Area status. An Area could therefore be a city or town, part of a city, a rural hinterland or some combination of city and rural area.
68. An Area should be headed by a Manager to provide leadership to the team and accountability to the community and District Manager.

Levels of management

69. Traditionally the police service has adopted a centralised, hierarchical and command-led structure. The five-level proposal, inclusive of the Commissioner and Constable, represents a further move towards flattening this structure and is consistent with the Police mainstream strategy of community orientated policing where devolvement of resources and decision making is essential to support a pro-active problem-solving approach. The Reviewer recognises that frontline officers and supervisors are skilled people capable of making good decisions without the need for excessive layers of authorising management.
70. A factor which also requires consideration, however, is the need for supervision of frontline activities and a command style in emergency response or major operations.

Police sometimes needs to operate in a top-down command style where following defined and detailed orders is essential to providing security and maintaining order. The proposed structure, therefore, must cater for all policing operational and management requirements.

71. As Commissioner, I have led the way in recent years to flatten police structures and devolve decision making to the frontline within broad strategic and operating parameters. The proposed structure extends this further. If implemented, it is intended to establish a clear line of accountability for service delivery as follows:

Commissioner
District Managers
Area Managers
(Snr) Sergeants/Team Leaders
Constables/Team Members

72. By flattening the current structure and achieving wider supervisory spans of control, fewer layers through which difficult decisions can be referred upwards will be available. Staff within each layer will have the opportunity to take more responsibility for their actions and show greater initiative in line with the concept of community orientated policing.
73. Two key submissions have been made in respect of the five level structure. They ask, first, what is the implication for senior sergeant rank; and second, what are the implications for supervision and management between Area Managers and other Inspectors and NCOs? In the latter instance, it is argued that if there were no senior sergeant management level, then the number of Inspectors recommended could raise difficulties in effectively supervising and managing a large number of sergeants. Spans of control of 10-14 sergeants delivering operational services could pose problems even taking into account the need for more self reliance and acceptance of responsibility for decision making.
74. Two examples were cited as potential problems; the first where an Area Manager is responsible for a very large number of staff (eg Lower Hutt with 180 staff). Having only sergeants as the next level of management would place enormous pressure on a single manager. There would appear to be a case either to increase the number of Inspectors (and thereby reduce the size of Areas) or enable some subordinate management support in appropriate cases. The second example involves an Area which is widely dispersed geographically where individual stations may have several Sergeants reporting to an Area Manager at a remote location. It is argued that remoteness of location mitigates against effective management and also that local interests may demand someone who is in overall charge of the station and its activities as a single point of contact.
75. While I support the concept of the five level structure, I see some merit in the arguments advanced and support the need for flexibility during the detailed design and implementation phase. Such an approach should still enable the streamlining of district management but, depending on demonstrated need, should allow for some locations to have a different mix of NCOs and Commissioned Officers or an additional management tier within a specified number of overall management positions including Senior Sergeants.

76. With regard to the implications of the 5-layer proposal for the Senior Sergeant rank, it should be noted that a single rank or designation may not necessarily define the membership of levels. It may be that the NCO level should enable skilled and experienced sergeants to be recognised with the designation 'senior', without this creating a level of command. Alternatively, there may be a case on a limited basis for substantive Senior Sergeants in a management hierarchy as outlined above.
77. These suggestions provide an option for recognising the Senior Sergeant rank and for having some limited exceptions to the five levels of management principle. Overall, the number of positions at Senior Sergeant rank is likely to reduce. There would still be a place for that rank, however, while at the same time ensuring a more streamlined management structure, more devolved responsibility and better communication.

Operational Risk Management

78. Concerns have been raised that the proposals to reduce the number of Commissioned Officers in Police could negatively impact on specialist areas of expertise and have an adverse impact on quality control. The significant areas identified include:
- ensuring ethics and integrity;
 - operational command capability for major events and emergencies (e.g. APEC); and
 - criminal investigation.
79. In addition, concern has been expressed about the coordination of national operational issues across Districts in the absence of Regions. This concern has been heightened by the extent of the proposed staff reduction for Police National Headquarters. Because these two issues relate to operational risk management it is convenient to discuss them together.
80. I have commented above about the need to consider the number of Area Inspectors based on the size of Areas, staffing responsibilities and potential exceptions to the proposed five level structure. While the number of specialist commissioned officers proposed may, on further analysis, be insufficient to address some operational risk areas, I believe that this question should be examined on the same basis as the Area Manager question, i.e to look at the overall mix of NCOs and Commissioned Officers and that if further commissioned officers are approved this should be offset by a reduction in the overall numbers of NCOs.
81. One exception to this that I recommend is the need for three operational Superintendents to be based in Auckland, Wellington and Christchurch who would each have an inter-district role in coordination of operational matters, provide a better link with the Commissioner's Office, and contribute to the management of integrity and operational risks. They would also increase the Police capability in relation to operational command for major events.
82. In respect of the need for a sufficient capability to ensure the delivery of effective operational command at senior level, my view is that the proposed structure provides a sufficient capability as long as officers are adequately trained. The proposed structure, together with my recommendations, envisages up to 18 Superintendents who are

operationally focused: three at the Commissioner's Office, the three 'inter district' operational positions recommended in the preceding paragraph, and up to 12 District Managers.

83. The structure also proposes more than 90 Inspectors whose role is predominantly operational. Adequate training and deployment experience will, I believe, serve police needs in this respect. In the event of future operations on the scale of APEC, Police also has the option of temporarily increasing its capability leading up to and during such operations. A further opportunity is available by utilising recently retired senior officers in a supporting planning role.

District management support team

84. The other positions outlined in the draft report for each District office are there to provide specialist support and advice to Area Managers and the District Manager. The functions identified have been developed after analysis of current best practice and identified needs. The establishment of a business development position ensures that policing development becomes a key District function reflecting national strategies. The district management template also recognises that HR and financial management positions should be filled by specialists.
85. As the Review acknowledges, there will need to be flexibility in the application of this template to ensure that Police retain the necessary specialist capabilities. In this context it should be pointed out that although there are management reductions for some Districts, there is also a redistribution that sees all Districts become self sufficient in all strategic areas of expertise.

Administrative support

86. I accept the principle outlined in the draft report that economies of scale are achievable through grouping many of the administrative functions currently carried out at Police National Headquarters, Regions and Districts into centralised service centres. However, this is one area where the lack of detailed analysis makes it difficult to predict the scale of cuts that can be made without affecting service. Many nonsworn staff undertake duties that can be defined as frontline. Other nonsworn staff, although not employed directly in the frontline, perform duties which free up police officers for frontline work.
87. Careful consideration will need to take place to ensure that cuts to the numbers of administrative support staff do not affect the frontline, and hence overall delivery of policing services. In particular, the level immediately below Area Manager requires some analysis prior to implementation. My analysis of the draft report and knowledge and experience of Police leads me to the conclusion that the extent of nonsworn savings identified may be too aggressive and further work is required to establish exactly the potential for savings from reducing nonsworn administration support. Again, I recommend that the Review identify a range of potential savings rather than a precise figure.

OUTSOURCING

88. Government's economic and State Sector reforms of the last decade have had a significant impact on the options Police need to consider to both deliver and support our services. Amongst other things, the demand for greater cost effectiveness and productivity has already led to the implementation of policies involving tendering and contracting out, civilianisation of positions, and the privatisation of some services. No longer is Police insulated from competition, even in areas we have traditionally considered our core business i.e. enforcement and investigation.
89. The final determinant of the nature, quantum, cost and standard of policing services is Government through the appropriation and parliamentary process. Police must deliver on quality, cost and results if we are to retain the confidence of Government and the community. One of the options identified in the Review as a means of maintaining or improving the quality of support services and achieving lower costs is the outsourcing of some functions.
90. This part of the draft report has proved to be the most controversial with many submissions critical of the extent and nature of the services recommended for outsourcing consideration and the potential risks for Police in going down this path. They point to the risks to police staff from outsourcing, the pride staff take in the job they are currently doing and the fact that the idea of outsourcing has not hitherto been discussed widely in Police. The concept is not well understood and is being treated with a high degree of suspicion.
91. The Reviewer used the following criteria in assessing whether or not a service could be considered for outsourcing:
- whether coercive powers are involved in delivering the service;
 - the impact of the service on core Police capability;
 - the strategic alignment of the service to core business;
 - the ability to manage contract failure: is the service readily retrievable in these circumstances;
 - the synergy with the services currently provided by potential outsourcers;
 - the reliability of potential outsourcers; and
 - the ability to change i.e. to separate management systems, to resolve accommodation issues, to continue to secure internal cooperation, to easily manage the transition, and to contain the cost of change (including redundancy).
92. In addition the draft report highlights the potential benefits of outsourcing:
- lower cost, deriving in part from the economies of scale achieved by the outsourcer;
 - higher quality, arising from the higher skills possessed by the outsourcer; and
 - mitigation of risk, because the outsourcer's commercial viability is at stake and they will wear the cost of time overruns or budget blowouts.
93. To these, Police would add the following considerations.
- Maintenance of ethical standards. Ethics define the 'character' of all services delivered by New Zealand Police. Outsourcing a large number of these services will be difficult

if ethical principles affecting practice cannot be woven into contracts in explicit and systematic terms.

- Maintenance of openness or transparency in the provision of police services. New Zealand Police is open to government and public scrutiny. Private enterprise is not subject to the same level of examination, nor to the provisions of the Official Information Act, the accountability of Parliament or the Police Complaints Authority.
- Establishment and maintenance of accountability mechanisms. These will need careful management if outsourcing becomes widespread.
- Meeting public expectations. The multi-faceted nature of policing and the kinds of expectations this generates among the public may have some impact on the acceptance by the community of widespread outsourcing. Support may well decrease if Police outsource functions that the public believes should only be done by Police.

Proposed areas of outsourcing

94. In principle, I support the concept of outsourcing police administrative and selected support services within the above criteria and related factors. However, when certain services are considered against the criteria for outsourcing, then I believe significant doubts arise, especially in areas such as forensic photography, aspects of search and rescue, and CVIU.
95. Before I comment on each of these I make some preliminary observations.
 - First, there are many steps and further work to be identified before any outsourcing programme can be finalised, let alone implemented.
 - Second, the assumption has been made that if a service is outsourced then it will be outsourced in its entirety. This need not be the case. There are options where Police can retain that part of a service which may be core or otherwise essential to retain but outsource remaining aspects of the service. A potential example of this is the Traffic Camera Office whereby some police staff are required for adjudication purposes but the bulk of the monitoring and processing functions could be outsourced. Neither is it the case that a service needs to be outsourced throughout New Zealand. Geography, distance, availability and quality of service are all key considerations.
 - Third, it is not easy to draw a distinct line between what can be considered core police services and services that may be suitable for outsourcing. Two factors are relevant here. The first is that other agencies and organisations are already performing similar functions to those that Police may regard as core. Examples include Customs, Serious Fraud Office and other government agencies that have an investigation and prosecution role. The second is that Police strategies include an increasing focus on partnerships: Police working with other agencies to deliver a more comprehensive and effective service. Examples of this are our traffic safety partnership with LTSA, crime prevention partnerships with the Crime Prevention Unit and Local Authorities, and drug enforcement with Customs.

96. Forensic photography poses particular problems to a potential outsourcer. Service providers would have to be available 24 hours a day, nationally throughout New Zealand, be expert in (and willing to undertake) crime scene and pathological photography and be trained and effective witnesses in order to give evidence in criminal proceedings. Police photographers express grave doubts that the commercial photography market can fulfil these testing requirements.
97. They also highlight that forensic crime scene examination and expert evidence has a close strategic alignment with police core business (criminal investigation) which, according to the criteria above, should eliminate it from outsourcing consideration. I agree with them to this point and recommend that forensic photography at crime scenes remain a police function. This does not mean, however, that the total police photography capability ought not to be examined with a view to improving its capability and effectiveness. Certain aspects should still be considered, such as equipment purchase, management and ownership, skills integration with other crime scene functions, potential civilianisation and contracting out aspects of support.
98. My overall recommendation, therefore, is that the Review recognise a police core role in forensic photography which is not open to outsourcing, and that further work needs to be done to identify what aspects of photography work could be either civilianised or contracted out.
99. As far as Search and Rescue (SAR) is concerned, it is argued that protecting life and delivering safety services through search and rescue activities and responding to disasters and emergencies is police core business. The distinction between SAR on the one hand and responding to emergencies and disasters on the other is not always clear. There are certainly synergies in skills and capability between the two areas. Police do not have a monopoly on this, however, with many other specialist services combining across a range of activities to contribute to this safety result. A more compelling argument is that Police are a 24 hour agency, deployed and available throughout New Zealand with a trained capability in both coordination and response.
100. Further factors to be recognised are that:
- much of the practical SAR work is done by volunteers outside Police at no cost. The true cost of this service is much higher than those incurred within Vote: Police.
 - police officers have responsibilities under the Coroner's Act 1988 relating to deaths and support to inquests.
 - SAR personnel have vital DVI skills (Disaster Victim Identification) which would be difficult and expensive to obtain from outside groups given the rarity of events requiring such skills.
101. It is acknowledged that there is some inconsistency in the current situation which needs to be resolved. In many districts the Police role in SAR is already very limited, confined principally to coordination and control. It is outside groups who carry out the actual searches. In other Police districts, we have more 'hands-on' involvement. There is a need to clarify and define the Police role in search and rescue and ensure consistency between Districts in our approach.

102. It is my recommendation, therefore, that the Review not only recognise a police core role in Search and Rescue which is not open to outsourcing, but also require work to be carried out so as to better define the appropriate role of Police and level of integration with other parties, and ensure consistency in purchase and delivery across the country.
103. CVIU (Commercial Vehicle Investigation) raises some of the same issues highlighted above in terms of the criteria of strategic alignment to core business and in terms of the use of coercive powers. However, as noted earlier, policing strategies are moving towards a greater sharing of roles across wider services which all contribute to a result. One of the themes in the Review is to target police expertise where it is best utilised. In terms of road safety, the major contributions by Police are enforcement of laws relating to those areas which pose the highest risks to the road user i.e. speed, alcohol, and non-use of restraints.
104. CVIU also has other roles, including education, a wider enforcement role across more minor offences including checking over-dimensional loads and other truck equipment, and revenue enforcement. The primary issue for consideration here is to what extent do CVIU duties contribute to core road safety objectives compared to other more regulatory and revenue activities. The work done to date is not sufficient to answer that question and I note that the draft report recommends this function to be considered in a 2 to 3 year time frame. This will give plenty of time for all issues surrounding CVIU to be properly canvassed before decisions are made.
105. On this basis, it is my recommendation that CVIU remains an issue to be further analysed within the outsourcing criteria in consultation with key road safety partners and practitioners within Police.
106. Similar submissions have been made in respect of prisoner custody, prisoner escort and scene guards. There are, however, precedents for these and I do not believe the arguments are sufficiently strong to preclude further outsourcing work proceeding. The same applies to the balance of the outsourcing proposals although I note that there is significant further work and analysis to be done before any proposals are implemented.
107. In this respect Police has noted problems in meeting the 0 to 6 month time frame for early outsourcing proposals. Accounting Services is a case in point. At issue is the new financial management information system under development, due for implementation in June 1999. This is a critical deadline for Police as the current system is not year 2000 compliant. The system will also be a key support mechanism for any outsourcing of these functions and Police believe that such outsourcing should not be in advance of the successful implementation of the new FMIS.

Time frames for outsourcing

108. Subject to the issues raised above I support the outsourcing of functions currently delivered in-house where such functions meet the recommended criteria and appropriate risk management strategies can be put in place.
109. The outsourcing time frames, however, are problematic. Three categories of outsourcing proposals are identified in the report with three recommended time frames being:
 - completion within 6 months;

- completion within 12-18 months;
 - possible completion within 2-3 years.
110. Police considers the early time frames identified in the draft report to be too tight. Submissions have been made earlier regarding accounting services and the need to implement the new FMIS prior to outsourcing. In respect of this and the other proposed areas for outsourcing consideration, it is vital that we make the right decisions, and that any action we take achieves the results and savings hoped for. Thus, sufficient time must be allowed for full investigation, planning and implementation. Outsourcing also needs to be considered in the wider context of the disestablishment of Regions, and the identification and shape of Service Centres.
111. We suggest the following slightly amended time frames for outsourcing:
- Phase 1 - up to 30 June 1999
 - Phase 2 - up to 30 June 2000
 - Phase 3 - up to 30 June 2001
112. We also suggest that further consideration be given to which outsourcing options fall into which phase.

GOVERNANCE AND ACCOUNTABILITY

113. The essential issues for clarification under this aspect of the Review are the boundaries of constabular independence, the interface with Ministerial decision making and an appropriate framework to ensure Police and Ministerial roles are clear and that decisions affecting police service delivery and accountability are properly made.

Policy/Operations Distinction

114. Central to these questions is the distinction between the areas for which the Commissioner is subject to Ministerial direction and those which cannot be the subject of direction. The draft report noted the difficulty of defining the precise limits of the Minister's powers in this regard.
115. The proper distinction is between operational matters (which include law enforcement policies) and administrative and financial matters (and general policies on the justice and community safety sectors). As the line between these can become blurred, I agree that an attempt should be made to develop principles that would serve to better define the line between the two.

Statutory definition of Police role

116. One of the proposals to achieve this is that the Police role and accountabilities ought to be recognised in statute. Statutory definition has been considered in the past but not taken further. I support the view that there should be greater clarity in respect of policing roles and responsibilities and those of the Minister. That appears a commonsense approach to reducing the present uncertainty. I remain unconvinced, however, that the correct route is statute as distinct from the accountability documents,

(which include a Purchase Agreement and Memorandum of Understanding), that already exist between the Commissioner and the Minister.

117. There are both advantages and disadvantages to the statutory route. On the one hand, the difficulties involved in changing legislation would provide a high level of protection for the statutory principles. On the other hand, a statutory approach reduces the flexibility to adapt processes to changing circumstances which could impact on the role or accountabilities of Police.
118. My recommendation is that there should be greater clarity and definition of the respective roles and responsibilities of the Commissioner and Minister, and that the Police, State Services Commission, Department of Prime Minister and Cabinet, and the Crown Law Office should work through both the detail and means by which such clarification ought to proceed. Government would make its decision based on the recommendations of this group.
119. Providing the issue of the constitutional role of Police is adequately reflected, I have no objection to the view that the Commissioner's position should be more consistent with that of other public sector chief executives. Many of the recommendations on these issues are formalising reporting measures I have already implemented on a voluntary basis.

Ministerial Direction

120. The issue of potential Ministerial direction to the Commissioner has caused concern within Police based on a perception that such direction could improperly impinge upon the independent role of the Commissioner discussed above. I feel that view is perhaps based on a misinterpretation of what is recommended in the draft report but concede that the understanding I have of the situation is not clearly stated in the report.
121. My understanding of the proposal is that the clarification of respective roles and responsibilities would identify the areas where Ministers have authority over policing matters in the same way that other Ministers have over their Departments. Also clarified would be areas of Police discretion which are not subject to Ministerial authority. It is not envisaged that Ministers would use the proposed 'direction' mechanism on occasions when issues are clearly within the Minister's prerogative. Those matters would proceed through normal Government processes.
122. The only occasion a direction would be necessary is when a Minister and Commissioner could not agree whether the issue fell within a Minister's role for decision making or a Commissioner's independent role. In that event the Minister would have the option of directing a course of action in writing and tabling that direction in Parliament. It would be desirable, however, for any direction to include the reasons behind it, and that both the direction and the reasons be tabled in Parliament. Such an arrangement seems to me to offer both enhanced clarity and protection of the Commissioner's constitutional role.
123. A final comment on this issue. The constitutional independence of the Commissioner is an important principle and justifies the scrutiny given to it in this Review. However, practical experience by myself and previous Commissioners is that it seldom manifests itself as a problem in practice, and when it does, the issues have been worked through to the satisfaction of both Police and Government. The clarity proposed to be given to the

issue will improve the resolution of such issues in future. The recourse to a written direction would in my judgement be a very rare event. Nevertheless, the proposed framework with the clarification given here is supported as a valuable mechanism to ensure such issues are satisfactorily resolved.

Police Act

124. Proposals in the Preliminary Draft Report are designed to make the Police Act more consistent with State Sector Act provisions relating to appointment, tenure, removal, and other accountabilities of the Commissioner. While we agree with this in principle, and see the need for modifications to the Police Act, there are issues to be worked through with the State Services Commission. These would be likely to include discussion about the involvement of the State Services Commissioner in the appointment and performance assessment processes of the Commissioner of Police. Careful consideration is needed to allow for the intricacies for preserving constabular independence while improving chief executive accountability.
125. Accountability should also apply right through the Police organisation and the opportunity exists in updating the Police Act to remove the cumbersome disciplinary process contained in the Act and substitute it with a procedure consistent with modern management practice similar to that which exists for nonsworn staff in addressing misconduct or poor performance. Currently the Police administration is hamstrung by arrangements that are not only unsuitable but also expensive and time-consuming to administer.

Management Advisory Board

126. The report proposes the establishment of a Management Advisory Board. This concept is not new. The 1991 *Review of State Sector Reforms* (the Logan Review) recommended Ministerial (or Management) Advisory Boards, as support for Ministers in managing their sides of the accountability relationship with chief executives. Underlying all discussion on the role and nature of Advisory Boards, then and now, is the concern that their role might become confused with that of a Board of Directors and thus impinge on chief executive accountability to Ministers.
127. Many of the points raised in the Logan Review and in subsequent proposals for trial Boards relating to their role, membership, cost, and the need for clear accountabilities for all participants, are still valid. They should be reconsidered in the specific context of Police.
128. Since the Logan Review there have been some significant developments in the performance management framework. These include SRAs and KRAs, better definition of the ownership interest, and clarification of central agencies' expectations of chief executive performance and their contribution to the State Services Commissioner's performance review process. Accordingly, any Advisory Board's 'fit' with other participants in the overall process would need to be defined.
129. On balance, then, while I am not opposed to the idea of a Board, there is clearly a need to consider a number of elements, including possible amendments to the Police Act and better definition of the relationship between the State Services Commission and Police, before an Advisory Board could be implemented.

PROPERTY MANAGEMENT

130. Police recognises that the issue of property, including property management and property procurement, is a strategic tool for the delivery of Police operations. We also acknowledge that as property is both a significant and inescapable operating expense and expenditure item, it must be considered on a national strategic planning basis. However, the current decentralisation system of delegating property management to the regions has provided the potential for regions to isolate property issues from Police's overall strategic planning activities. I support, therefore, the recommendations of the Review regarding the restructuring of property under a national property manager and the establishment of a national property management system.

Police housing

131. The Review proposals for police housing have caused concern within the organisation, especially in smaller centres where the availability of quality housing is not extensive. However, I support a review of the number and location of police houses required to ensure reasonable policing needs are met while not retaining properties where a clear case for retention cannot be made. There are anomalies in the current housing stock and policies, and significant costs are incurred in the retention and maintenance of Police houses. For example, the historical designation of some centres as 'hard to fill', which is used to justify the retention of some houses, cannot be sustained today. Conversely, other centres which may justify such a designation are not included. In addition, areas which retain houses on the basis of being 'hard to fill' have fewer houses than necessary to accommodate the needs of all staff. Selective benefits apply and there is an equity issue in entitlement.
132. The justification for retention of houses is to assist recruitment or to compensate for the fact that no other adequate housing may be available in the area. My view is that providing houses to meet the former risk is a high cost strategy and there may be other options which could better suit both staff and management needs. These should be explored. The latter risk is, however, a real one. Police are present in almost all communities in New Zealand, but not all communities have housing stock of sufficient quality, location and availability, consistent with Police needs. The focus of future housing policies ought to be on adequately addressing these needs and not retaining properties where other, more cost effective alternatives are available.
133. These issues further support the need to have a national approach to police housing with a greater degree of specialist expertise in developing more effective solutions.

PURCHASING

134. Police supports the Preliminary Draft Report's proposal for streamlining our purchasing strategy through the implementation of a tendering process for the top 100 purchase items. While confirming the advantages in what the Review is suggesting, I would note that Police at both national and district levels already operates very much within the suggested framework. Although a centralised purchasing regime should result in savings through economies of scale, the emphasis must be on meeting the needs of the user in the most efficient and effective way. A balance must be sought between decentralised decision making in Districts and centralised purchasing control.

TRAINING

135. The Preliminary Draft Report rightly points out that Police has been conducting a review of training and was due to report to Cabinet by the end of June. However, it was felt that it would be premature to ask Cabinet to consider the document when its findings may be profoundly affected by the recommendations of the overall Review of Police. Thus, the review of training has been put on hold until Police have a clearer idea of the extent and nature of change agreed to by Government. Preliminary analysis suggests that significant savings can be achieved.

IMPLEMENTATION TIME FRAMES

136. Overall time frames for the restructuring of Police are, of course, an issue. In this regard, priority needs to be given to establishing the proposed rate of change. There is disagreement about whether change should be implemented suddenly (the 'big bang' approach) or step by step (the incremental approach). In many contexts, rapid and large scale change offers significant advantages: the negative impacts associated with restructuring, while intense, are short term; the opportunity for long term resistance to, or subversion of, the changes is reduced; and the benefits of the changes are realised more rapidly.
137. Incremental change, on the other hand, would allow for the proper alignment of all the change factors, including the alignment of organisational capabilities, with the needs of police strategies (eg COP and problem solving). It would also minimise the impact of change on service delivery and public confidence in the Police, and the risks of 'getting it wrong'.
138. Although my view is that it is unrealistic to strive for and expect complete change in a very short time frame, it is also important that the process not be too drawn out. It would be preferable to get the management structural proposals fully implemented prior to June 1999 to enable a full three months of clear attention leading up to APEC in September 1999. Management of the security requirements for APEC and the America's Cup in 1999-2000 will consume significant resource and focus of Police, especially in Auckland but also the rest of the country who will be supporting the operations. Thus, Police needs to be in a position where our management structures are well established at that point. This is critical to effective risk management. Although this means there may be a break of about four months from July to October 1999 where little in the way of implementation could occur, design and planning work could continue.
139. I support and encourage early decisions by Government when it considers the final Review recommendations. The current uncertainties within Police as to the extent of restructuring, and which positions are at risk, need to be resolved early and implementation commenced as soon as is reasonably possible.

CONCLUSION

140. Overall, I recognise that transforming broad directives and opportunities into specific and meaningful results is the challenge ahead for Police. From this submission, it is

evident that I am generally supportive of the tenor and the overall direction of the Review, with the major provisos being the need for clarification on some of the governance and accountability issues, the resourcing of the new structures, the extent of the savings identified and the speed at which they can be achieved.

141. Despite these reservations, I am convinced that there are significant savings to be made by adopting in principle the structure recommended, centralising support functions into service centres, streamlining PNHQ and eliminating Regions. I would like to see the Review identify a range of potential savings and leave the confirmation of these until more detailed design, consultation and implementation has been carried out.
142. Restructuring of the kind proposed in the report will incur costs. Direct costs are likely to include factors such as relocation, potential redundancies, training and consultancy. We must also take account of future costs such as contract negotiation and management involved in outsourcing. Government needs to be aware that any early savings may be significantly affected, if not entirely mitigated, by these types of costs. Over time, however, the potential for savings to be applied to additional frontline policing capability is high.
143. Police also recognises that the redirection and reorganisation of Police involves a great deal more than just structural change. Most change models reinforce this. For example, the McKinsey *seven 'S'* model makes it clear that redirection and re-organisation of an institution such as Police requires the seven variables in the model to be aligned. Structure, strategy and systems make up the *hard S's* of the model and staff, skills, style of leadership and shared values are the *soft S's*. The four *soft* elements are of course the 'people' issues and they are indispensable elements of any corporate commitment to long term success.
144. The work of Policing 2000 also makes it clear that a strategic approach must include a recognition that the Police culture and attitudes (which govern norms, shared values, social networks and organisational myths) will be major determinants of success or otherwise of change. We are aware that changes in hierarchy, technology, communication networks, and so forth are only effective to the degree that these structural changes are associated with acceptance and support from staff.
145. Police therefore recognises that effective change requires the management of all these issues and will require a strong focus and increase in our change management capability. We will develop strategies to achieve the necessary increase in skills and experience using a range of change support mechanisms and will produce a change plan for the implementation phase that incorporates these.
146. In summary, Police are committed to achieving the objectives of the Review but are mindful of the need for adequate analysis, planning and consultation which will ensure best results in the shortest feasible timeframe.

Peter Doone
Commissioner of Police
30 July 1998

