

EMBARGOED UNTIL 10.00 AM THURSDAY 8 OCTOBER 1998

**NEW ZEALAND POLICE ASSOCIATION
63RD ANNUAL CONFERENCE**

**GETTING A CORE GOVERNMENT FUNCTION
RIGHT**

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GETTING A CORE GOVERNMENT FUNCTION RIGHT

I was as surprised to be approached by the Police Association and asked to help it with the government's review of the New Zealand Police as you probably are to find me standing here talking to you.

I had never before been asked by a trade union to do anything – or anything constructive anyway.

But I readily accepted both the invitation to take part in the review and the invitation to speak to you today for several reasons.

The first is the importance of the subject.

New Zealand is a country known for its relatively low level of crime and disorder. Not only is law and order very important for our quality of life but it is *the* core role of a government to protect citizens and uphold the rule of law. Sound and effectively enforced law is vital for the business community too – ask anyone who has tried to do business in Russia or South Africa.

But like many things about New Zealand, the conventional wisdom about our law and order status is something of a myth. Some of our crime statistics do not compare at all well with those of other similar countries. We have to ask whether we have our priorities right when young thugs roam the streets and elderly women are raped in their beds yet governments occupy themselves running things like Lotto and television stations.

In the last few months I have learned a great deal about the extent of organised crime that we seem to be doing little to combat. I have been told that elements in the criminal world have overtaken the police in terms of technology and business organisation. You know about this, and now I know about it, but the public does not know about it. Why not? Organised crime is now mentioned in the Key Results Areas laid down for the New Zealand Police, but the legal, financial and

technological resources needed to deal with it are unlikely to be provided unless the public understands the threat.

A couple of years ago the Business Roundtable, of which I am a member, published a study entitled *Controlling Crime in New Zealand* which presented the straightforward thesis that people will be involved with crime as long as it pays. This is not the whole explanation of crime but it is the main one, and it is understood by ordinary people and under-emphasised by many criminologists. Whether crime pays depends partly on the chances of detection, which depend in turn upon police effectiveness and efficiency and on public attitudes towards criminals and the police. Whether crime pays of course also depends upon the performance of the justice system in convicting people and handing out appropriate sentences.

The second reason for my interest in the review was the approach of your president, Greg O'Connor. In my experience of dealing with employees' organisations your association's leadership is unique in understanding that the interests of the New Zealand Police and its staff are one and the same. This is to adopt the attitudes of a professional body rather than a traditional trade union and is refreshing by comparison with your counterparts in the fire service and the teaching world. It is also a necessary basis for maintaining public respect.

I know too that police staff want to do their job well, but they see themselves as frustrated at every turn by outdated management practices, perverse funding systems and incomprehensible legal barriers. Police are faced daily with the clash between their experience of dealing with victims of crime, what they hear politicians saying about the importance of the police, and what they see politicians actually doing.

And it was what politicians were doing that was the third factor that spurred my interest. Your association's action in contacting people such as myself, a management consultant and a retired senior police officer to help with the review certainly showed much greater seriousness of purpose than the government, which seemed to set out with a predetermined agenda to find \$50 million in cash savings.

There might well be efficiencies to be found in police administration, and taxpayers have every right to be assured they are getting value for money, but this is not the right way to go about the job.

Some of the review's suggestions, such as the new district structure, have been under discussion within the police for a considerable time. In respect of headquarters, the review just plucks a figure out of the air for the number of staff that could be cut. This sort of thing was supposed to have been left behind with the approach to public sector management that has been pursued since 1984. So far there is nothing in the review about reducing crime, improving the effectiveness of the police, or even ensuring value for money. There is merely an assumption that the police can go on doing whatever they are doing now with fewer people at headquarters.

In some respects the review is unambitious. It is an example of the tinkering and unimaginative approach that has paralysed public policy development in recent years and contributed to the country's present economic difficulties. It is conservative in the way it looks at the New Zealand Police, for example in considering the number of activities that could be contracted out. It focuses on the organisation and not the outcomes. What the public is interested in are things like safer neighbourhoods, security of personal property, curbing fraud, and dealing with people who wilfully put others at risk on the roads. Who actually achieves these things is of secondary importance.

There have been changes in the scope of law enforcement activities in recent years, but the picture is a mixed one from the point of view of the New Zealand Police.

The Serious Fraud Office was created because of a perception that the police lacked the structures and personnel required to tackle major fraud investigations. This is a pity because fraud will be found in much organised crime, and there is a risk that the SFO will not consider the impact of its activities on the general level of crime and the maintenance of order when it sets its priorities.

Another change was the merger of the traffic function. The jury still seems to be out on the merits of this decision, and it is not clear that all the presumed efficiencies from integration have been achieved.

The police have also taken a lead in implementing community oriented policing, although much of the impetus has come from the crime prevention unit in the prime minister's office. But the crime prevention strategy shows how wider government policies need to change. It is one thing to set up Safer Community Councils. It is another to ensure that real change occurs in other agencies that need to be involved with community problems. It is no good, for example, lecturing schools about truancy and taking up their time and yours with committee meetings when the fact is that no one, least of all schools themselves, has any incentive to get these children back into class. If schools were paid, and paid only, for each day a child attends, we would see imaginative solutions to the problems of suspension and truancy spring up overnight. If truancy leads to crime, then the police need that problem to be tackled effectively and holistically. The Business Roundtable study argued that the Children, Young Persons and Their Families Act 1989 and the family group conference system of dealing with young offenders should be also reviewed – they seem to have made it more difficult for the police to catch juvenile offenders and for them to receive appropriate punishment.

Likewise, the police should not go on ignoring the private security industry whose staff may now outnumber police staff. You can regard them as a competing force to be thwarted at every turn if you like, or you can regard them as thousands of extra pairs of eyes and ears and a means of freeing police to concentrate on core activities.

So the police face challenges from several directions. The overriding one is to get the government and the public to understand that the concern should be with best value and effectiveness, not with cheeseparing. I understand that the message that the Police Association leadership has received from its members is that change is required – maintaining the status quo is not an option. This is a most unusual stance for an employees' organisation. It should present your leadership and the police administration with a great opportunity to build change around sound perceptions of what is needed.

At present, the feeling seems to be that change is something being imposed on the police by Treasury and others who do not understand what policing is all about. The failure of the police leadership to anticipate the need for change leads to exasperation in Treasury, and the imposition of change by Treasury leads to disgruntlement amongst operational police staff. It is a lose-lose situation. To turn it into a win-win situation, changes in attitude are needed from all parties – from the minister down to police officers on the streets.

My experience has been in business. Once New Zealand business was a cosy protected world, but no longer. Business today operates in a highly competitive environment in which we only survive if we set ourselves standards of excellence in the services we provide. We have had to change our ways fundamentally to achieve that, and those that failed to change have failed to succeed in the new world.

That has meant changing our attitudes, our organisations and often our personnel. Some people thrived in the changed environment while others couldn't cope. When nothing in your previous experience or training has equipped you to deal with a new world, it's a considerable challenge to adapt.

The task of the leaders of any organisation is not just to be able to perform the organisation's core tasks well but also to be able to relate to the outside world and to prepare the organisation to meet its challenges. This is where effecting change in the public sector becomes taxing. In the private sector, members of senior and middle management who cannot accept change typically go. But in the public sector they normally do not get removed, with the result that junior staff are frustrated and demoralised.

More than ever today the need at all levels is for quality personnel. At the top, leaders who can inspire and lead change. In middle management, people who are flexible and committed. And at the junior levels, staff who understand the need for change and who feel that they have contributed to it rather than had it imposed on them, and who have the chance for career development.

Let me be clear that I am not saying that there are no such people at each level in the New Zealand Police. But in many ways they are there despite the system, not because of it.

Nowhere along the line is much being done to encourage the fresh ideas that are essential in any organisation in a changing environment. The recruiting system does not seek out people with fresh ideas, the promotion system does not identify and advance them, and the training system does not inculcate the kind of thinking required. What is required is not necessarily formal qualifications, but diversity of experience and ability to think laterally. I suggest there is no reason for the current emphasis on in-house training for police, which is very expensive – polytechnics and other institutions should be used where they can offer suitable courses.

It is highly unlikely that fresh ideas and dynamic leadership through change will emerge from someone who has not had time to think outside the square. A senior British police officer, like the current Commissioner of the Metropolitan Police, Sir Paul Condon, has spent four to five years during his or her career away from the daily pressures, with time to think about the future needs of the police. Some senior New Zealand police have had the benefit of study opportunities like Harkness fellowships, but many police have had to obtain their degrees part time while working as police officers. While this shows tremendous commitment and determination, it does not provide time for detached reflection.

A key contributor to Lion Nathan's success was our Human Resources Director, Joe McCollum, who came from New York with a background in multinational companies. We knew that as a small company by world standards we could not hold on to him for ever. But if the only way New Zealand institutions can attract world-class people is by accepting that they will not have a long-term commitment to them, then so be it. For nine years we had the benefit of an executive of international calibre and I took real pride in the fact that what he achieved and what he learned at Lion Nathan got him the job of Human Resources Director of ICI in Britain, with responsibility for tens of thousands of employees and reporting directly to the CEO.

But long-term human resource policies do not interest politicians much. They do not see them as providing the quick fixes they are looking for. Like superannuation, the quality of the police in 10 years' time is going to be someone else's problem. This is frustrating in the extreme, because in fact a good, well-articulated human resource policy can have a surprisingly swift effect on attitudes and culture right through the organisation.

For their part, police unions have traditionally not backed imaginative human resource policies, concentrating instead on rules and procedures for promotion. This is a pity. You should be prepared to take things like performance pay more seriously. A professional body's concern must be with the working environment of the next generation of its members and the overall performance of the organisation. Its highest priority should be to support inspired leadership and imaginative human resource strategies.

This leads to the question of what sort of people the most senior officers should be. At present the New Zealand Police is effectively a closed shop. But the benefits of opening up your career structure to outside and overseas competition are enormous. However good you are, you will always benefit from contact with fresh ideas and methods. If the status quo is not an option, new skills may be required to lead the police through a period of change.

However, it is not enough to have high quality police leadership. There has to be political leadership as well. The New York City police were only able to do what they have done to combat crime in New York because mayor Guiliani made it a priority. Sir Robert Mark, the Commissioner of the Metropolitan Police in the 1970s, makes it clear in his autobiography, *In the Office of Constable*, that his achievements were only possible because he had the backing of the Home Office.

So the impetus has to come from the top. The prime minister must take the police function seriously and not regard it simply as a source of cash savings. She must appoint a minister who can do the job required. I hope that in Clem Simich she has, but the process of the recent review does not inspire much confidence that the government considers the minister of police important. The previous minister does

not seem to have been part of the review process at all. It seems to have gone directly from Bill Birch to the Commissioner and back again.

We also need the policing function to have the support of other key ministers. Crucially, we need a minister of justice who understands that he or she has a major contribution to make to the government's public safety objectives. The performance of the current minister has been abysmal in this respect. Although he rightly criticised the Bill of Rights Act 1990 in opposition he has done nothing about it while in government. He has allowed the Law Commission project on police questioning to drag on for years, leaving the police rudderless. He has been captured by inexperienced and legalistic staff in the Ministry of Justice. The Law Reform Division was so awful that ultimately business law had to be taken away from it and given to the Ministry of Commerce. But the ministry's performance in reforming law affecting the police has been no better.

Neither Justice nor the Law Commission seems to have the stomach for a fight with the criminal defence lobby and its media friends. I would like to see a thorough investigation into whether rules of evidence and other court proceedings have tipped the balance too far in favour of accused persons. I see that we now have one in 10 jury trials ending in a hung jury. The resulting wastage of police and witness time is enormous. Is the minister interested in looking at majority verdicts, which Britain has had for over 20 years? Evidently not. He is very interested, however, in community magistrates, though no one else has been able to identify why there would be net benefits from their creation.

Regrettably, too much of what we hear from politicians on law and order issues is posturing. Calls for greater police numbers and to get more police out of offices and on to the streets do not get us very far. Nor do slogans like 'tough on crime; tough on the causes of crime'. Harder thinking is required.

I would like to think that the current police review will move into a phase of harder thinking. There are good reasons for concern about crime in this country and plenty of scope for new strategies for controlling it. Some ideas were put forward in the

Business Roundtable study I mentioned earlier, and there are many others. So the thoughts that I would like to leave you with today are these:

- Maintaining law and order is a core government responsibility.
- We need governments to concentrate on their core functions and perform them well; conversely they should shed many other unnecessary functions.
- The fact that the police service at large accepts the need for change is very encouraging. The Police Association should not try to defend the indefensible, including some conditions of service. The police need to be seen to be open and accountable for the very large taxpayer resources devoted to them.
- Equally, the police should be entitled to expect supportive and intelligent treatment from all arms of government – not slash and burn exercises.
- The police review needs to be restarted on a fresh and much broader basis if it is to result in more effective policing and crime control.
- The police deserve the support of all sections of the community, including the business community, in pursuing such goals, and if I can continue to make a useful contribution to this process I shall be happy to do so.