

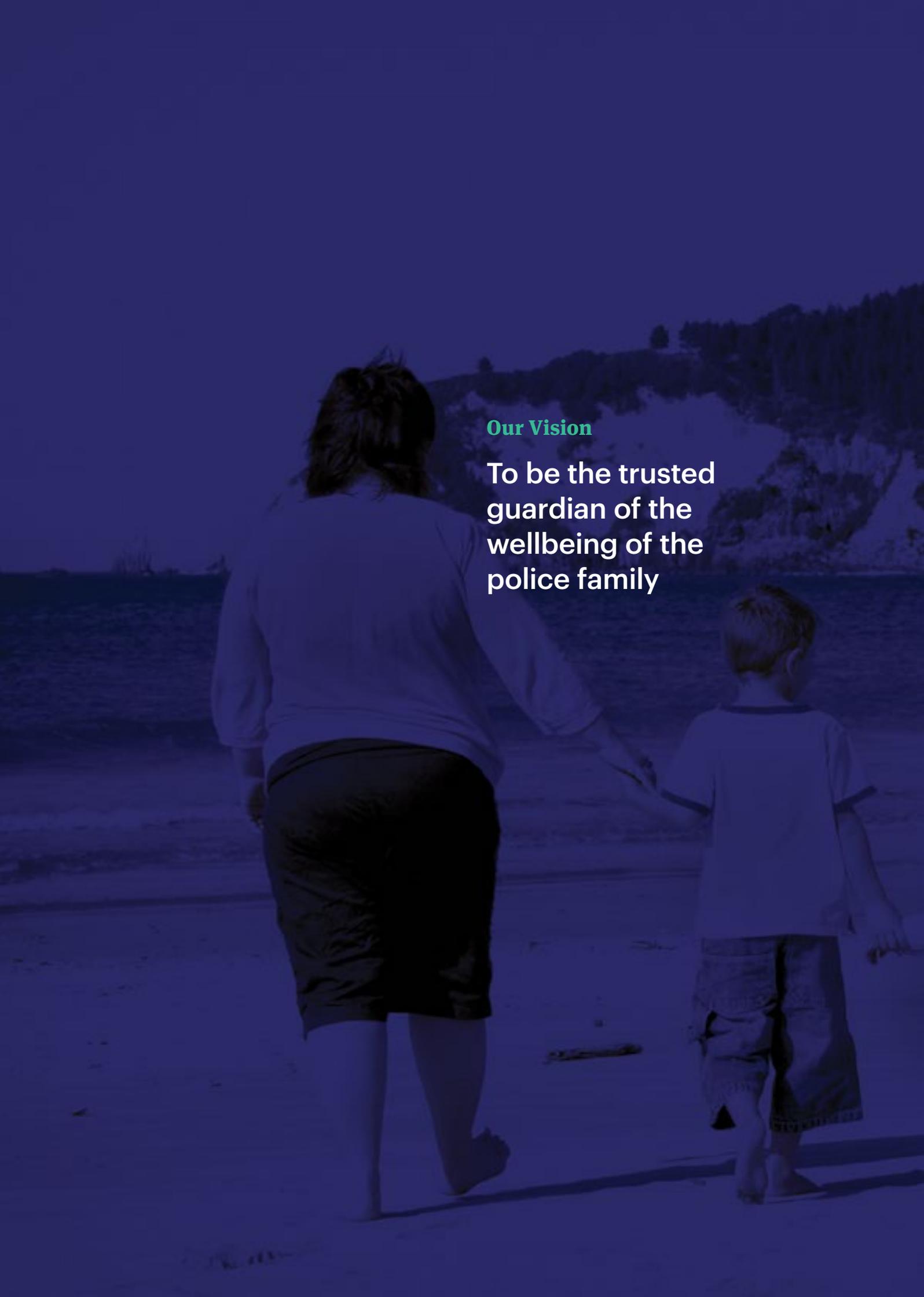
Annual Review

2018



**New Zealand
Police Association**

Our focus – your welfare

A photograph of a woman and a child walking away from the camera on a sandy beach. The woman is on the left, wearing a light-colored long-sleeved shirt and dark shorts. The child is on the right, wearing a light-colored t-shirt and patterned shorts. They are walking towards the ocean. The background shows a coastline with trees and a hill. The entire image is overlaid with a semi-transparent blue filter.

Our Vision

**To be the trusted
guardian of the
wellbeing of the
police family**

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Photos: NZ Police, NZPA, Bay of Plenty Times, Little Poppet Clothing

President's Report

The 2017/2018 year has produced some noteworthy results for policing and the Police Association. Without doubt, the most outstanding was the Budget 2018 confirmation of 1800 extra constabulary members and 485 Police employees over the next three years.

Persistent association lobbying has delivered tangible relief for frontline and community policing across all districts. The association acknowledges this coalition government package to be the most significant boost to policing in a generation.

The investment in organised crime addresses what modern organised crime actually looks like, and has the potential to be a game-changer across domestic and international crime.

This commitment is not without its own set of challenges, primarily in recruiting. To achieve 1800 extra officers and account for natural attrition, at least 3000 new recruits will be required. Clearly, if attrition increases, that number must also rise or the promise of 1800 extra will not be met.

We need quality recruits to be attracted to policing and we need to do all we can to ensure current experienced staff are retained. That means advocating on their behalf on issues they identify as barriers to staying in policing.

As a business case, the opportunity to attract this potential 20 per cent boost in association numbers is being taken seriously. There is a concerted effort under way to showcase the benefits of association membership – outlined in this document in legal, industrial and welfare support, products and services, and the value of collective strength in numbers.

Over the last year, we have made progress in addressing and enhancing the diversity of association committee representation.

11,687

Members

15,174

Welfare members

99%

Constabulary staff up to and including senior sergeant rank

80%

Commissioned officers

75%

Non-constabulary Police employees

The establishment of the Diversity Governance Group is a commitment to our belief in the value of diversity throughout our organisation, including at board level, and we will continue to work on that. Thirty per cent of our delegates to conference 2018 will be women. This is a very positive step up, but we are under no illusion that there is still a long way to go.

In last year's report, I expressed my frustration at the lack of political commitment to tightening up our illegal firearms menace. A year on, those frustrations continue as criminals with firearms pose an increasingly serious threat to our members and the public. An important development has been Police acceptance that its data on

illegal firearms is deficient and work is under way to improve the quality of internal reporting of firearms-related incidents. The goal is for this more reliable data to assist in an informed debate on the risks firearms actually pose to New Zealanders.

Internally, the association and Welfare Fund have been assessing their business model to strength test it for long-term sustainability to meet the demands of a growing membership. As with any business in today's environment, change is a constant. Accordingly, we need to respond and adapt in all areas of our operations to live up to our vision of being the trusted guardian of the wellbeing of the police family.

“The association acknowledges this coalition government package to be the most significant boost to policing in a generation.”



Chris Cahill
President



Operational Activities

The position of chief operating officer (COO) has been in place since a 2017 change in the association's structure that disestablished the CEO position. The COO oversees delivery of the association's welfare services as well as marketing, HR, finance and IT services.

The prime focus now is ensuring the association has the right infrastructure and operating systems required for long-term financial sustainability. This involves reassessing all aspects of the organisation, with our priority being to fortify the association's legacy for our members and their families.

Health Plan

Police Health Plan (PHP) is affected by market increases in medical and surgical costs, as are all other health insurance providers. The PHP is a not-for-profit operation with extremely low administration costs. For every dollar in, it pays one dollar out. However, even with this formula, we are aware of the potentially adverse impact premium increases can have on members, particularly some of our older members. Seventy per cent of our PHP members have comprehensive cover, which is exceptional compared with the general market, where there is a drift of older members from comprehensive to surgical plans. We encourage members to review their plan to determine whether a lesser plan, with lower premiums, could still meet their health needs.



Holiday Homes

Management of the Welfare Fund's valuable portfolio of 66 Holiday Homes is a challenge given marked increases in the costs associated with maintenance, insurances and rates. We are evaluating the portfolio with a focus on asset maintenance.

A priority this year has been replacing the two units in Whangamatā, due to be completed for the start of the 2018/2019 holiday season.

Installing wifi in all the homes is a goal, and one members are asking for. The plan is to install it on a case-by-case basis with other upgrade requirements.

The homes are well utilised, but there are regular complaints that bookings are difficult to secure. Changes in member expectations, booking patterns and lengths of stay indicate a change in the way people take their holidays. As a result, we are exploring changes to booking and pricing systems to ensure they are fair. We also want to see if we can spread demand for the most sought-after locations in peak periods across homes with lower occupancy rates. Top of mind is to improve the availability of affordable holidays and breaks for members and their families.

Fire & General

Increases in Fire & General insurance premiums were driven by high claims for extreme weather events and earthquakes. These were the first increases in home premiums since 2014, and for content premiums since 2013.

Financial & Estate Planning

In conjunction with partners AdviceFirst and Perpetual Guardian, we held a pilot retirement seminar for members to offer advice on planning for financial security after a career in policing. This proved popular with members, and we plan to hold more in the future.

Sports Sponsorship

The association has doubled to \$100,000 its annual support of Police Sport and is now the naming sponsor for all sports events and awards, including administrator and sportsperson of the year, and the popular Winter Games.

Membership of Police Sport is high at about 5500 (sworn and non-sworn) and the association believes its contribution through sponsorship assists the wellbeing of our members, on duty and off duty.

Technology

All investment in the association's technology is under review. This includes:

- » replacing the previously proposed website refresh with development of an entirely new website that is fit for our future, prioritises data security and addresses the overwhelming shift to mobile devices
- » ongoing work with the membership system, Blueline, to bring it to the level our members expect
- » development of a more self-service digital connection for Member Services which would enable higher efficiency and transactions on mobile devices, and be accessible at times that are more convenient to members



Fiona McKissock

Fiona McKissock
Chief Operating Officer



NZPA board

Year in Review

Welfare



\$805.2m

Discounted Police Home Loans



20,258

Holiday Home nights

81.4%

Holiday Home occupancy



1218

Members with full cover vehicle insurance who received our free premium roadside assistance



\$38.6m

Health Plan claim payments

\$5.5m

Paid out for death and critical illness



\$6.58m

Police Fire & General Insurance claims

Welfare Assistance



194

Birth benefits



222

Members given welfare assistance of \$44,700



\$20,000

Value of petrol vouchers



430

Holiday Home nights

Equipt App

#2

NZ sits at No. 2 for users of the app across NZ and Australian police associations

18%

Increase in number of sessions, and a 44-sec increase in average session time

3+

Average length (mins) of app engagement, highest in NZ and Victoria

Industrial

Pay Round 2017-18

The Police Managers' Collective Employment Agreement expired in December 2017 and when parties were unable to reach agreement they went to arbitration on 8 August 2018. The arbitrator ruled in favour of Police but only after Police increased its band movement position from 1.5 per cent to 2 per cent. The arbitrator was only asked to rule on band movement.

Constabulary and Police Employee Band A-J Collective Employment Agreements commenced July 2018 but were delayed by the senior manager negotiations.

Member feedback included calls for a decent general wage increase, a cost of living allowance in centres such as Auckland, a review of the three-hour TOIL rule and an increase in the shift incentive. It is anticipated the streamlined versions of the collective employment agreements will replace the longer versions after settlement of the pay rounds.

Front Counter Safety

Association advocacy for front counter safety has generated results, with Police installing the approved safety designs in the 80 stations identified as very high and high risk. Work has begun on the medium and low-risk stations.

Communication Centres and Preferential Based Scheduling (PBS)

Results from the Collective Agreement-mandated survey of all Communication Centre and Crime Reporting Line staff, together with post-survey feedback, show the PBS system to be seriously flawed and a change is inevitable. The association is working with members to advocate for potential alternatives.

Safe Staffing

- » Deployment decisions on the 1800 extra police will be relevant to the development of a safe staffing model
- » A risk management plan addressing single crewing is out for consultation
- » The association will present this data to Police for use in development of standard procedures for single crewing

“It is time for the architects (of PBS) to admit their mistake so we can move on and make comms the great work group it used to be.”

Letter to the editor, Police News



Parental Leave Pack
First two weeks:

739

Total page views

592

Total unique page views

256

Pack downloads



Health and Safety

The association and Police have drafted terms of reference for elected health and safety representatives (HSRs) and district and national health and safety committees. The association has ensured the HSRs will have training within the required three-month timeframe.

Faster progress on health and safety matters has been hampered by departures of key Police staff.

Rotations/Home Station

The association has filed proceedings in the Employment Relations Authority (ERA) challenging Police's use of rotation and its impact on the contractual entitlements of members, such as home station allowances

The association is being consulted on the updating of the Police rotation policy.

Parental Leave Pack

This association initiative brings together in one document all relevant information for Police parents-to-be. It is a living document to be updated as necessary, and is on the NZPA website.

"...I want to acknowledge the innovation and hard work of the team that created such a great product." – Adele Williams, Southern District Women's Advisory Network (Letter to the editor, Police News)

Association Rep Training

- » 15 reps attended the four-day Office Holders Toolkit course in April
- » Evaluation surveys indicate the office holders and committee members courses effectively equip reps
- » Further courses are planned for late 2018/early 2019

Reviews and Restructures

File Management Centres (FMCs)

- » Police has abandoned its wholesale centralisation of FMCs into two or three locations
- » That decision followed extensive hands-on involvement by the association, attending Police review workshops and encouraging members to participate and provide feedback
- » Police intend to align case management in Tāmaki Makaurau
- » Police intend to align current practices and processes to ensure consistency

Flexible Employment Options (FEO) survey

- » NZ delivered the highest response rate (2919) to the Police Federation of Australia's (PFA) online survey
- » The survey focused on FEO considerations in police working patterns and workplace issues
- » Key findings included that FEO can mitigate workplace issues that significantly impact on members and their families
- » Police needs to address increasing expectations of the need for FEOs

Policy Consultation

Secondary Employment

- » May 2017 – consultation began on a draft secondary employment and external activities policy
- » The association argued successfully for the removal of an unreasonable level of intrusion into the external activities of members
- » The association ensured exclusion from the policy of those elected or appointed to the NZPA and/or Police Welfare Fund boards or committees



Employment Relations Amendment Bill

In submissions (March 2018), the association supported reinstatement of:

- » Statutory rest and meal breaks
- » The 30-day rule for new employees to be employed on the terms and conditions set out in the collective agreement
- » The requirement for the parties to conclude a collective agreement unless there is a genuine reason not to do so
- » The right of union representatives to enter a workplace without gaining consent from an employer

As the association does not support a 90-day trial period under any circumstances, it did not support the bill's change restricting the 90-day period to employees with fewer than 20 employees.

Government Health and Safety

at Work Strategy

- » In submissions, the association supported greater focus on the role of health and safety representatives and a separate role for unions



Our police officers face situations the general public would likely never envisage... the job is tough, it can be dangerous, it requires compassion and mental and physical strength. That is quite the job description, and we are proud of how professionally they operate to protect us all.

Chris Cahill, President

Legal

Critical Incident Working Group

- » Major focus this year on working with Police to improve how matters are dealt with post-incident, particularly with shootings
- » Striving for consistency and a focus on member welfare in the aftermath of critical incidents
- » The association wants anonymity or name suppression for officers involved in critical incidents
- » An anonymity policy is supported by PNHQ, Police Minister and Opposition party

Vulnerable Children's Act Vetting

- » Police has begun vetting all constabulary and non-constabulary staff who may be required to be alone with children
- » Police has taken a broad approach to applying the act and ensuring staff are deployable in all situations
- » This can impact on members in disciplinary matters
- » There has been hesitation from some members, but the association is not aware of any issues arising in practice
- » The association encouraged Police to provide members with Q&As responding to all queries received about the policy

Policy, Practice & Procedure Reviews

- » Conducted by Police after serious incidents to evaluate facts and lessons learned
- » The association has been provided with drafts, and the process is now running consistently



Our major focus this year is working with Police to improve how matters are dealt with post-incident, particularly with shootings.





7100

Code of Conduct
cases in database

Legal Assistance

- » Significant cases this year = 8
- » Total costs incurred = \$575,130 (excl GST)
- » Costs recovered = \$369,397
- » External legal costs (member specific employment) = \$33,057.69
- » External legal advice (general wider membership issues) = \$12,973.20
- » Code of Conduct cases in database = 7100

Case examples

The association has filed four proceedings with the Employment Relations Authority (ERA), and with the Human Rights Review Tribunal.

Clarification from the tribunal has been sought on:

- » Whether Police can obtain information for one purpose (eg, through a criminal investigation) and automatically rely on it in an employment investigation to assess a member's suitability for continued employment. This has serious implications for all Police staff, but the tribunal has indicated its own backlog will mean a lengthy delay in a hearing.

Clarification from the ERA has been sought on:

- » Whether Police can impose a three-year final warning in a disciplinary matter. The association sees this as a significant departure from, and contravention of, Police's disciplinary policy.
- » The ERA is also considering in what circumstance Police can withhold competency service increments (CSIs). Police suggests any allegation and/or breach of Police values can result in a CSI being withheld. The association considers any allegation raised must relate specifically to a member's inability to perform their role (competency), at which point members must have failed to improve after having a reasonable opportunity to do so.
- » A case-specific matter arising from a restructuring which focussed on unilateral relocation of a member. It was determined that Police cannot relocate this particular officer without the officer's agreement, but can require this officer to undertake operational duties and training at stations other than this officer's home station.

Media/ Communications

2017 Member Survey

- » 67% of members are very concerned about staffing shortages
- » Only 6% of constabulary are satisfied with the number of frontline officers in their districts
- » 37% consider drugs, violence and organised crime are the main threats to law and order
- » 21% of GDB frontline (and 12% of constabulary overall) reported being threatened with a firearm at least once in the previous 12 months
- » 66% of members support general arming (up 4% on 2015)
- » 55% of public support general arming (up 6% on 2015)

Fleeing Drivers

In November 2017, Police and the Independent Police Conduct Authority announced a year-long joint review of the fleeing driver policy and the association will be providing feedback on that. We are concerned at the growing number of deaths among fleeing drivers, the growing number of events – more than 10 a day, and the toll these take on our members. In the first six months of this year, there had already been eight deaths from five incidents. Fleeing drivers ramming police officers and police vehicles is also an increasing trend.

Year	Total pursuits	Crashes	Injuries	No. fatal pursuit events	Deaths from pursuits
2014	2392	384	121	2	2
2015	2997	502	152	3	2
2016	3323	585	184	6	6
2017	3797	626	170	9	12

NZ Police data

Media Policy

Our media policy has been written to reflect navigation of public media space in the digital/social media age. The policy guides engagement with media, association members, politicians and the public on all matters of member representation and policing. It sets out the importance of being clear, credible, professional, consistent, responsive, authoritative and at all times acting with integrity. Its three parts cover media protocols, social media objectives and social media use.

Psychoactive Substances Amendment Bill

The sole purpose of this bill was to increase from two to eight years the maximum penalty for supply and distribution of psychoactive substances. The association’s submission to the Justice Select Committee did not support this ad hoc approach. Rather, we took the opportunity to highlight little or no political action following more than 25 people dying from the substances within a year – later revised by the coroner to between 40 and 45 deaths. The association will make submissions when the entire act is reviewed in late 2018.



Cannabis

The government has committed to hold a referendum on the legalisation of cannabis for recreational use at or before the 2020 election. If the vote is for legalisation, there will be implications for policing. The association believes it must be in a position to make definitive submissions on the legislation that would follow. Accordingly, we have begun researching and debating how any change in the status quo might affect our members. This will constitute the theme of the 2018 Annual Conference.

Diversity Governance Group

A Diversity Governance Group (DGG) was established in March and has been tasked with implementing the association's Gender Balance Strategy (adopted by conference in 2017). Initiatives include:

- » Seconding a non-board member from the DGG to board meetings
- » Board approval for a maximum of seven representatives to attend annual conference as observers
- » Succession planning and diversity to be included on future board agendas – mentoring and development for women on committees
- » PFAWAC representatives report in person to the board post-conferences

Police News – “the voice of police” in NZ

Our flagship publication engages with members and attracts the attention of the wider community, media and politicians. It shares members' own stories, has lively 'letters to the editor', reports on police sports, fundraisers and upcoming events and promotes the association and Welfare Fund products and services.

- » Distribution = 17,000 copies
- » Issues = 11 per year

Top stories

- » Serious assaults on members
- » The wave of “501” deportees sent back to NZ
- » Psychological cost to members forced to fire a fatal shot in the line of duty
- » Mixed reaction from members to changes in training at the Police College
- » Gang Intelligence Centre and National Organised Crime Group – ground-breaking work



Social Media

Facebook

- » 7000+ fans
- » Reach – 22,000 a month
- » Post engagement – 9000 a month
- » On average, individual posts reached 2000-3000 and most popular 10,000+

Most popular content included:

- » *Police News* content
- » Debate on current policing issues
- » Winter Games
- » Bravery Award recipients
- » Police Remembrance Day
- » Annual conference
- » Slain on duty anniversaries and police funerals

Twitter

- » 900 followers



2018 Financial Summary

Sound financial management provides accountability over the use of member funds and supports efficient delivery of welfare, products and services to members.

A significant improvement in after-tax profit has been achieved this year, brought about by strong cost management decreasing total expenses, despite increased welfare and membership support spend. Revenue increased with the biennial insurance profit share return, membership growth and the favourable revaluation of our Willis Street property.

Profit Performance From 2017-2018



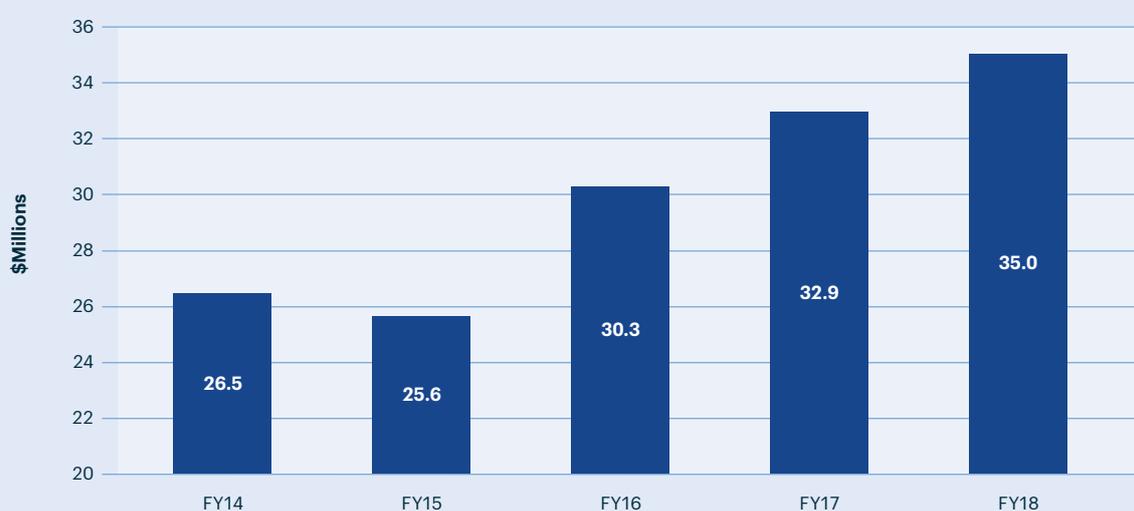
On 12 September 2018, following endorsement by the Audit and Risk Committee, the Board approved the signing of the 2018 Financial Statements. The auditor, BDO Wellington, has issued an unmodified audit opinion over the NZPA Group Financial Statements.

Five-year Analysis

Financial Performance	2018 \$000	2017 \$000	2016 \$000	2015 \$000	2014 \$000
Total Income	12,695	11,678	12,048	12,048	13,601
Health Plan Underwriting Surplus/(Deficit)	580	336	1,395	5,838	3,207
Total Expenses	11,261	11,434	10,450	10,240	9,450
Income Tax Expense	589	-33	662	331	678
Net Profit After Tax	1,427	613	2,331	7,315	6,680

Financial Position	2018 \$000	2017 \$000	2016 \$000	2015 \$000	2014 \$000
Current Assets	63,155	58,215	56,883	55,745	50,340
Non-Current Assets	22,958	24,294	24,739	24,323	21,938
Total Assets	86,113	82,509	81,622	80,068	72,278
Current Liabilities	11,694	9,711	8,913	8,697	8,222
Non-Current Liabilities	1,698	1,504	2,029	0	0
Total Liabilities	13,392	11,215	10,942	8,697	8,222
Total Equity	72,721	71,294	70,680	71,371	64,056

Paid Health Plan Claims



The summary of financial statements cannot be expected to provide as complete an understanding as provided by the full financial reports. A copy of the full financial reports can be accessed by visiting the member section of the New Zealand Police Association website at www.policeassn.org.nz.



You have reached the end of the New Zealand Police Association Annual Review 2018. Please flip over to read the Police Credit Union Annual Review 2018. →