

37 more of Keelty's Kops to cost \$19.4m

Analysis, by CLA Director Lance Williamson and CEO Bill Rowlings – 21 August 2007

The new \$117 million police contract in the ACT is designed to deliver an extra 37 police on the beat, but will cost \$19.37 million more than last year.

On a per capita basis this represents a 14.6% real increase in the cost of policing in the ACT, but it comes with reduced performance requirements.

The new police deal was co-signed in August 2007 by ACT Attorney-General Simon Corbell, Australian Federal Police Commissioner Mick Keelty and acting ACT Policing Commissioner Andy Hughes.

Total cost to police the ACT goes from \$97.9m last year to \$117.3m in 2007-8.

In a bid to keep down the soaring cost of hiring Keelty's Kops, the ACT Government has slashed the key area of crime prevention by 25%, down from \$4.1m last year to \$3.0m in 2007-8. This is an extremely poor decision that moves the focus from proactive crime prevention and policing to the same old reactive catch-up after a crime has been committed.

In simplistic terms, the total number of Full Time Equivalent (FTE) police under the contract goes from 829 to 866, a rise of 37...but these figures are misleading (see below).

The expensive deal includes changing targets so that ACT Policing is less responsive to the community, and this year's contract also makes its much tougher to measure police performance accurately.

In the coming 12 months the police will be less responsible because they and the ACT Government have effectively dropped two key methods of measuring police performance:

- Number of established complaint issues against police; and
- Number of established complaint issues relating to persons in custody.

This year, 2007-8, is to be a “benchmark year” for these two measures, which means that anything is acceptable in these categories as there is no measure. From the police perspective, relatively high numbers this year would make them look good in future years. Why a target of zero is still not appropriate is mystifying, and why the measure could not be based on an average of past years is not explained.

Many other police performance measures have been “tweaked” so that no direct comparison with previous years will be possible, again letting police off the performance hook. ACT Policing repeatedly fails to meet most of its response targets, for example.

The fundamentally-important measure of ‘satisfaction with police’ has been rewritten so that police will decide who is to be surveyed.

The policing contract is the biggest black hole in the Territory Budget. The numbers of police on the beat it delivers is questionable, the way the funds are spent is questionable, and even the way the \$117m is accounted for is questionable.

While the accounts are subject to external audit by the Australian National Audit Office, the audit is against flawed methodologies as detailed in the agreement. For good governance it would also be appropriate for the Australian National Audit Office to do the audit under contract to the proper client – the ACT Government.

ACT Policing has truly innovative accounting methods, and last financial year managed to spend to within about 0.01% of the allocated amount of nearly \$100m. The reason it can be so miraculously accurate is that it makes up the figures: the figures and accounts it presents for auditing are not ‘real’ but ‘attributions’, or an estimated cost.

As the Chief Police Officer for the ACT says in the annual report, the ACT Policing financial statement “is based on the Australian Federal Police records and related sources”. In other words, they are not real figures, but just numbers ‘based on’ data held by the AFP.

The contract and past annual reports provide no guidance on just how much of the cost paid by the ACT is based on an ‘attribution’ of the AFP’s national costs which it has assigned to the ACT; it doesn’t spell out which costs are directly related and identifiable to ACT policing. Interestingly, the auditor’s opinion attached to the annual report specifically draws attention to the fact the auditor expressed no opinion on the appropriateness or relevance of the reporting measures.

Of interest was the requirement in last year’s agreement to conduct a ‘re-basing exercise to quantify the costs of AFP enabling services to the ACT in support of community policing’. The re-basing would either validate or identify a better approach to costing these services provided by the AFP, but there is no indication whether that exercise was done and it is apparent that this year’s agreement reflects no change to past arrangements.

In short, a full and open inquiry into the provision of policing services in the ACT is urgently needed. The ACT Auditor-General should be tasked with doing a full performance review on all aspects of the ACT Policing contract.

The Territory is possibly getting a poor deal. Neither Labor nor Liberal ACT Governments have been able to exert proper management control of the police contract for many years.

One previous Liberal administration commissioned formal legal advice as to whether it could contract a police force other than the AFP. It was told it could, but did not act on the advice. Any move along these lines would likely involve a confrontation with the federal government, and end up in the High Court.

In the coming year, the total number of "Full Time Equivalent (FTE) AFP employees engaged" in providing policing services to the ACT is said to be 866 – but this is an extremely rubbery figure. It includes at least 95 "enabling FTE's" such as people providing forensic, bomb squad, dog handling, water police, IT services and some element of the PR spinning and photography/videoing capabilities.

At best, ACT Policing might have 771 FTE (operational and non-operational personnel). Whatever the number, the contract fails to stipulate what the relevant mix of uniformed (operational) and civilian personnel will be, nor does it address the experience levels of the police in uniform (see below for comparison with NSW).

The police numbers figure is done by an "annual statistical analysis of ACT Policing activities undertaken over a seven day period to capture and define the more routine tasks not readily identified by direct cost-attribution". Obviously, the results can be 'coloured' depending on which period is selected: the seven days over Christmas-New Year would give an entirely different result from the period in mid-July with no big event happening.

It would be more appropriate for the AFP to ensure its Financial Management Information System is capable of providing a better platform for actual cost recovery.

Some other notable aspects of the 2007-8 ACT Policing contract are:

- There is no planned improvement to the provision of forensic services (yet the courts are complaining vociferously about the unconscionable delay in providing forensic reports, which is delaying the delivery of justice);
- Nothing has been done in the agreement to provide the ACT with more experienced police – currently there is a very low percentage (40%) with more than five years experience, compared to a figure for NSW Police of 64%;
- Many performance measures continue to be "by comparison with the national average (for police forces)". But the ACT has the smallest area, best roads, newest

cars, most well-off and best-educated community, few areas of widespread disadvantage – shouldn't the ACT Policing performance be substantially (10-15 percentage points) better than the national average of other police forces, who have all the territory of WA or Queensland, for example, to cover?

- Last year's performance measure of *Percentage of juveniles diverted who have not re-offended in the reporting period - 80% or more* has been changed this year to *Percentage of juveniles who have been re-apprehended, within 12 months of undertaking a diversionary program – 20% or more*. This newly-worded measure should actually say 'LESS' and not 'more', which is an indication that not many people – including those in ACT Policing and the ACT Government – actually pay attention to the detail of their contract documents.

In an unfathomable decision, the performance measures for 2007-8 will no longer take account of the number of ACT Ambulance attendances at drug overdoses. Even though police are not meant to attend drug overdose cases (so as to not dissuade companions from dialling 000 for help), this used to give an indication of illegal drug use in the community.

For 2007-2008, Attorney-General Corbell has asked ACT Policing to focus specially on "measures aimed at reducing the trafficking of illegal drugs... and the criminal consequences of consumption". Yet there will be no ambulance drug overdose measure in the police reports. Go figure.

One glaring omission is how to measure police actions which expose the public to risk, such as police chases. There is no target for cutting the numbers of people killed or injured in police pursuits.

There is no mention of reporting the number of times police draw their weapons in public places, or draw and fire stun guns, or squirt capsicum spray. Had the capsicum spray figure been included in previous years, problems in the ACT Watchhouse might have been nipped in the bud.

There is also no explanation why the contract stipulates that, in 2007-8 the AFP must fund, as a "one-off" and to a maximum of \$10,000, a survey of crime victims in the ACT so as to develop benchmark measures for responding to victims of crime that can be used in the purchasing agreement from July 2008 onwards.

The reason this is extraordinarily puzzling is that exactly the same provision was in last year's contract as a "one-off" to develop benchmarks for this current 2007-8 contract...but apparently ACT Policing failed to do the survey in 2006-7.

In which case, will the \$10,000 that should have been set aside for the survey be accounted for in the financial statements for 2006-7 which are about to be released? Or

will this be another \$10,000 that falls into the black hole which is AFP/ACT Policing accounting?

And where is the penalty on the AFP for failing to deliver on a crystal-clear obligation which they signed up to in the 2006-7 document?

And in a similar vein, the three-year Strategic Plan that was to be developed under last year's agreement also apparently did not get done – it reappears this year. The strategic plan is an important document as it underpins all future agreements detailing policing priorities, directions and performance and should have had a high priority.

The only strategic planning done in recent years has been a one-day retreat aimed mainly at improving the public image of ACT Policing, as the 2005-06 annual report clearly demonstrates.

Re-endorsing a contract with rubbery figures, elastic performance measures, and no penalty clause for failure to meet obligations is hardly good governance on the part of the ACT Government. This is definitely not the type of deal any successful business would enter into; it is a seriously flawed contract for \$117m expenditure in the important areas of providing public safety and security, and key elements of our justice system.

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